

**Tire Company Dębica S.A.**

Financial Statement for the accounting year 2023

**FINANCIAL STATEMENT  
OF  
TIRE COMPANY DĘBICA S.A.  
FOR 2023**



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## **1. INTRODUCTION TO THE FINANCIAL STATEMENT**

### **1.1. LEGAL STATUS AND BASIC SCOPE OF ACTIVITIES ACCORDING TO THE POLISH CLASSIFICATION OF ACTIVITIES**

TIRE COMPANY DEBICA S.A.; ul. 1 Maja 1, 39-200 Debica; REGON Statistical No. 850004505; Tax ID (NIP) PL 8720003404; entered into the National Court Register under No.: KRS 0000045477, District Court in Rzeszów, 12th Commercial Division of the National Court Register, share capital of: PLN 110.422.000 (brought up in full).

Tire Company Debica Spółka Akcyjna (previously called "Stomil" Debica S.A.) was established pursuant to the transformation of a state enterprise of "Stomil" Car Tire Works in Debica.

By virtue of a decision of the District Court in the City of Tarnów, 5th Commercial Division, dated 26 April 1991, "Stomil" Debica S.A. was entered into a commercial register under No. RHB-302, and in 2001 it was re-entered into the National Court Register, kept by the District Court in the City of Rzeszów, 12th Commercial Division of the National Court Register under No. 0000045477.

On 12 November 1993 the General Meeting of Shareholders of "Stomil" Dębica S.A. decided to change Company name into Tire Company "Debica" S.A. The Company may use its abbreviated name T.C. Dębica S.A. that came into force on 22 November 1993, following a decision of the District Court in the City of Tarnów about an entry into commercial register of the name change.

The Company belongs to the GOODYEAR Capital Group, whereas the entity holding 12 042 976 shares directly, accounting for 87.251% shareholding in the shareholders' equity, is Goodyear S.A., with its registered office in Luxembourg.

According to the Warsaw Stock Exchange the Company is classified in the "automotive industry" category (following the listing held on 19 September 2008).

A major scope of Company activities is the manufacturing of tires for means of transport – activity type according to the Polish Classification of Activities (Classification) is 25.11.Z (according to the Polish Classification of Activities of 2004, and 22.11.Z\* according to the Polish Classification of Activities of 2007).

The Company is neither a controlling entity, nor a significant investor.

The Company does not draw up consolidated financial statements.

Pursuant to the Company's Statute its duration is unlimited.

### **1.2. REPORTING PRINCIPLES AND INFORMATION ABOUT COMPANY GOVERNING BODIES**

- The Financial Statement was drawn up for 2023, covering period from 1 January 2023 to 31 December 2023 and comparable financial data for 2022, covering period from 1 January 2022 to 31 December 2022
- This Financial Statement has been drawn up following going concern principle applicable to the Company in the foreseeable future. According to the Management no circumstances exist that would threaten the business continuity.
- The financial statement has been prepared in accordance with the provisions of the "Accounting Act of 29 September 1994" (Journal of Laws of 2023, item 120, as amended) and the "Regulation of the Minister of Finance of March 29, 2018 on current and periodic information provided by issuers of securities and the conditions for recognizing as equivalent information required by the laws of a non-

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member state" (Dz. U. of 2018, item 757) and "Regulation of the Minister of Finance of December 12, 2001 on detailed rules for the recognition, valuation methods, scope of disclosure and manner of presentation of financial instruments" (Journal of Laws No. 149, item 1674, as amended). The Company does not apply the National Accounting Standards for the purposes of preparation of financial statements.

The Introduction and the Notes represent an integral part of the Financial Statement.

### Company Authorities

- **Management Board and Supervisory Board composition as at the date of signing the Financial Statements and changes in the composition of the Management Board and Supervisory Board in 2023:**

#### Management Board:

|                          |                                   |                       |
|--------------------------|-----------------------------------|-----------------------|
| Leszek Szafran           | President of the Management Board | until 5 December 2023 |
| Ireneusz Maksymiuk       | a Member of the Management Board  | until 5 December 2023 |
|                          | President of the Management Board | from 5 December 2023  |
| Marko Nahtigal           | a Member of the Management Board  |                       |
| Anna Winiarska-Miśkowiec | a Member of the Management Board  |                       |

#### Supervisory Board:

|                            |  |                    |
|----------------------------|--|--------------------|
| Jacek Pryczek              | the Chairman of the Supervisory Board  |                    |
| François Colin de Verdière | a member of the Supervisory Board, a Deputy Chairman of the Supervisory Board          |                    |
| Andrzej Kowal              | an Independent member of the Supervisory Board, the Secretary of the Supervisory Board |                    |
| Agnieszka Modras           | an Independent member of the Supervisory Board   |                    |
| Vincent Ganier             | a Member of the Supervisory Board  |                    |
| Lourens Roets              | a Member of the Supervisory Board  |                    |
| Michaël De Schrijver       | a Member of the Supervisory Board  |                    |
| Janusz Raś                 | a Member of the Supervisory Board  | until 27 June 2023 |
| Krzysztof Pieniążek        | a Member of the Supervisory Board  | from 27 June 2023  |

## **1.3. ACCOUNTING PRINCIPLES**

### **1.3.1. TANGIBLE FIXED ASSETS, INTANGIBLE ASSETS**

Intangible assets are priced at acquisition or manufacturing cost less amortization (depreciation).

The following depreciation periods have been adopted:

- computer software 2 – 10 years
- remaining 5 years

Fixed assets are tangible fixed assets and equivalents with foreseeable period of economic life longer than one year, complete and suitable for use and designated to satisfy Entity's needs.

Fixed assets shown in the balance sheet also include assets accepted for use under a contract that meets at least one of the criteria set forth in Article 3, par. 4 of the Act (financial lease).

Fixed assets are priced according to the purchase price, manufacturing costs, expansion or modernization. Fixed assets are written off using the straight line depreciation method in accordance with the period of their useful economic life. The following depreciation periods have been adopted:

- buildings and structures 25 - 40 years
- technical equipment and machinery 5 - 20 years
- means of transport 5 - 15 years

Fixed assets accepted for use on the basis of a contract that meet at least one of the criteria specified in Art. 3, par. 4 of the Act is depreciated taking into account the effective term of the contract.

For fixed assets with a value not exceeding the equivalent of USD 5,000 and expressed in PLN, the Company applies one-off depreciation, whereas for tax purposes it is the amount of PLN 10,000. The correctness of the adopted periods and depreciation rates is subject to periodic verification.

The purchase price and manufacturing cost of fixed assets under construction, fixed assets and intangible assets also include the cost of servicing liabilities contracted for their financing during the construction, assembly and adaptation period.

The purchase price or manufacturing cost of a fixed asset are increased by the costs of its improvement.

In the case of changes in manufacturing process, designation for liquidation, decommissioning or other reasons causing a permanent impairment of a fixed asset or intangible asset, an impairment loss is posted into other operating costs. Revaluation allowances for fixed assets, whose pricing has been updated on the basis of separate provisions, reduce the differences due to the revaluation measured on the revaluation reserve, any possible excess over the revaluation write-offs is included in other operating costs.

If the reason for which an impairment loss has been written down against fixed assets and intangible assets, the equivalent or all of the previously made revaluation write-off increases the value of the asset and is recognized as other operating income, respectively.

Other intangible assets: The Company acquires CO2 emission rights for its own use. CO2 emission rights are recognised in the entity's accounts at the date of acquisition, at the purchase price. They are shown in the financial statements (balance sheet) in a separate item in the group of intangible assets. The acquired CO2 emission rights are shown in the balance sheet until they are cancelled on the Company's account kept in the Union Registry. For each installation, separate records of quantity and value of granted and acquired emission rights shall be kept.

### **1.3.2. Fixed assets under construction**

Fixed assets under construction are valued at the purchase price or production cost, covering the total costs for a given fixed asset under construction incurred from the date of commencement of construction to the balance sheet date or acceptance for use.

The value of fixed assets under construction is increased by: the non-deductible value added tax, excise duty and the cost of servicing the liabilities incurred to finance them and the related FX gains/losses, less income from FX gains.

### **1.3.3. Lease**

#### **Operating lease, hire or rent**

A contract in which a significant part of the risk and benefits due to ownership remains with the lessor (the financing party) is recognized as operating lease, a hire or rent agreement. Lease payments made under operating lease, hire or rent after deduction of any special promotional offers obtained from the lessor (financing party), are posted into the costs using the straight-line method over the effective term of the lease, rent or hire.

#### **Financial lease**

Third party fixed assets or intangible assets taken for use under lease contract are classified as fixed assets or intangible assets if they fulfil the conditions set forth in the Act.

Lease of tangible fixed assets, where the Company as a beneficial owner incurs substantially all risks and derives substantially all benefits associated with ownership rights, classified as financial lease. The financial lease is activated upon the commencement of the lease at the lower of the two amounts: the fair value of the asset covered by the lease and the current value of the minimum lease payments.

Each lease payment is allocated between the liability under financial lease (principal part) and financial costs (interest part). The division is carried out using the internal rate of return method, according to which the interest part of the lease payment is divided into individual periods in such a manner that the interest rate in relation to the balance of financial lease liabilities is constant in each period.

Tangible fixed assets used under financial lease are depreciated during the shorter of the two periods: asset utilization period or lease period.

### **1.3.4. Long-term investments**

Interests in other entities and long-term securities are valued at the purchase price, less write-offs due to permanent impairment.

### **1.3.5. Inventory**

Inventories of tangible current assets are priced as follows:

- the inventory of raw materials and goods are carried at acquisition prices,
- intermediate products and works in progress are carried at the direct planned manufacturing cost in core manufacturing activity and at actual manufacturing cost in auxiliary production, proportionally to the work progress rate,
- finished goods are carried at average manufacturing costs including direct costs of a certain product and reasonable portion of costs related directly to the manufacturing of said product.

The costs of product manufacturing does not include costs that are a consequence of non-utilized production capacity. They affect the net financial income of the accounting period in which they were

incurred. In the event of an unplanned production stoppage, the Company determines the degree of utilization of production capacity based on a comparison of the average quarterly output expressed in tonnage to the tonnage assumed in the annual plan for the quarter in which the unplanned production stoppage occurred. If the deviation of the actual and planned tonnage exceeds 15%, the indirect costs of production incurred in the quarter in which the unplanned interruption occurred are treated as the cost of manufacturing products up to the sum of these costs and the average quarterly indirect cost absorption coefficient. This coefficient is in turn calculated as the quotient of indirect manufacturing costs assumed in the annual plan and tonnage planned in this period. The co-efficient is updated based on actual data.

Finished goods as at the date of manufacture are carried in the accounts at planned costs. At the balancing date, the value of finished goods is adjusted to the actual manufacturing cost, taking into account deviations between the actual manufacturing costs and planned costs.

The Company makes revaluation write-offs for inventories considered obsolete or hard to sell, after inventory analysis.

All inventories whose net selling price fell below the purchase price or manufacturing cost, or which were considered obsolete or partly lost their original utility value, were identified and their balance sheet value was reduced to the level of net sales prices.

#### **1.3.6. Receivables and liabilities**

Receivables and liabilities (except for financial liabilities) are priced at the due amount following the prudent pricing principle and shown as net values (less revaluation write-offs).

The receivable value is revaluated taking into consideration the likelihood of their payment by means of making a revaluation write-off.

Financial liabilities (with the exception of financial liabilities held for trading, derivative instruments of a liabilities nature and hedged items) are valued not later than at the end of the accounting period, according to the adjusted purchase price.

#### **1.3.7. Short-term investments**

Available-for-sale financial assets, including bills of exchange with maturity above 3 months - are priced at fair value. If it is not possible to determine the fair value in a reliable manner, and these assets have a set maturity date, then the pricing is made at amortized cost using the effective interest rate, and if these assets do not have a fixed maturity date, the valuation is made at the purchase price.

Loans extended are priced at the amount due and payable, plus interest due for the given month.

The effects of periodic pricing of financial assets are posted respectively into financial income or expenses in the accounting period in which the revaluation took place.

#### **1.3.8. Cash assets**

Cash assets include assets in the form of domestic currency, foreign exchange and foreign currencies. Cash assets also include accrued interest on financial assets and received bills of exchange with maturity up to 3 months.

If such financial assets are payable or due within 3 months of their receipt, issue, purchase or deposit, they are recognized as cash and cash equivalents for cash flow reporting purposes. The listed cash assets are presented in the balance sheet in the short-term investment line.

### **1.3.9. Foreign currency transactions**

Foreign exchange transactions are settled at the average exchange rate set for a certain currency by the National Bank of Poland in effect on the transaction date, unless a different exchange rate was set in a customs declaration.

At the balance sheet date, the assets and liabilities expressed in foreign currencies are priced at the average exchange rate set for a given currency by the National Bank of Poland for such date.

Foreign exchange gains and losses concerning assets and liabilities expressed in foreign currencies, at the pricing date and at the payment of receivables and liabilities in foreign currencies, are posted into financial income or costs accordingly, and in justified cases into fixed assets under construction or intangible assets.

### **1.3.10. Deferred income tax assets and provision**

Due to transient differences regarding the moment of income or of costs incurred, the Company establishes provisions and determines deferred income tax assets pursuant to the Accounting Act and tax regulations.

In the balance sheet, the Company records a deferred income tax provision equal to the income tax amount payable in the future in relation to the occurrence of positive transient differences that will enhance income tax taxable base in the future.

The Company also records deferred income tax assets determined at the level of the income tax to be deducted in the future in relation to negative transient differences that will reduce in the future income tax taxable base and in relation to deductible tax loss, determined following prudence principle.

The amount of provision and deferred income tax assets is determined taking into consideration income tax rates prevailing in the year of tax obligation occurrence.

The difference between the provisions and assets due to a deferred tax at the end and the beginning of the reporting period affects the financial result, where the provisions and assets due to deferred tax related to settling the equity capital are also recognized as equity capital.

The Company does not apply the provisions of the National Accounting Standard No. 2 "Income Tax".

### **1.3.11. Provisions for liabilities, warranty repairs, retirement gratuities and pensions, non-utilized leaves**

The provisions for liabilities are priced at justified, reliably estimated value.

Provisions are recognized against:

- certain or highly probable future liabilities, the amount of which can be estimated in a reliable manner, in particular losses arising from business transactions, including those related to guarantees, warranties granted, loans and the outcome of pending litigation;
- future liabilities resulting from a restructuring, which, pursuant to separate regulations, the Entity is obliged to carry out, or if binding agreements have been entered into in this respect, and where the restructuring plans allow to reliably determine the value of such future liabilities;
- retirement gratuities that have to be paid under corporate collective labour agreement. The provision is set up in the amount determined by an actuary;
- probable liabilities falling into current accounting period, being in particular a result of an obligation of fulfilment, in relation to current operations, of future liabilities vis-a-vis unknown persons, with the total amount that could be estimated, despite that the date



of obligation occurrence is still unknown, including warranty repairs and sureties for durable products sold;

- the setting up of accruals for non-utilized leaves is charged into the costs of the period the leaves refer to;
- additional payments to employees related to their length of service, if they are paid at least annually, are treated as short-term employee liabilities and therefore are not subject to actuarial valuation and are charged to the costs of the period in which they are paid.

#### **1.3.12. Shareholders' equity**

The initial capital amount is recorded as provided for in the Company Statutes in compliance with the National Court Register.

Revaluation capital is a result of revaluation of fixed assets.

Supplementary capital is made up of the issue of shares above their nominal value and from statutory profit distribution as prescribed and above the prescribed Supplementary capital is increased by the revaluation capital that originated from disposed fixed assets covered by revaluation.

Reserve capital includes reserve capital to cover contingent losses and is made up of profit distribution with the option of dividend payment to the shareholders.

#### **1.3.13. Prepayments**

Prepayments and deferred costs are recognized in respect of costs relating to future reporting periods.

Prepayments and deferred costs are recognized in proportion to the time passed and/or services provided. Timing and settlement method should be substantiated by the nature of costs under settlement following the prudence principle.

#### **1.3.14. Accruals**

Accrued expenses are recorded in the amount of probable liabilities in the current accounting period, particularly resulting from:

- services performed to the company by its contractors, where the amount of the liability can be determined in a reliable manner;
- obligation of delivery, in relation to current operations, of future benefits vis-a-vis unknown persons, with the total amount that could be estimated, despite that the date of obligation occurrence is still unknown, including warranty repairs and sureties for durable products sold.

The accruals mentioned above are presented in the balance sheet in the line: trade payables.

The accruals related to warranty repairs are posted in proportion to the expected size of services, which include repairs made (on one's own) or replacement of commodity or product under extended warranty. Upon the expiry of the warranty period, the non-written-off accruals are deducted from the cost of sales of accounting period in which no warranty repair claims did not occur.

#### **1.3.15. Sales revenues**

Sales revenues in value terms are recognized based on figures in the invoices issued during the year less goods and service tax. Sales is recognized when significant risks and benefits related to products, goods and materials have been transferred or when the service has been delivered.

Sales revenues presented in the profit and loss account are net of the discounts and other allowances granted to the customers, following the same principles as discounts.

### **1.3.16. Costs and measurement of net financial income**

Operating costs include costs connected directly with the core activity of the Company. Expenses are recognized on accrual basis in order to safeguard the commensurability of income and related expenses.

Other operating revenues and expenses include income and costs that are not connected directly with the core activity of the Company.

Other operating income includes proceeds from the disposal of non-financial fixed assets, equivalent of dissolved provisions and revaluation asset allowances, expired or redeemed liabilities, donations received, subventions, additional payment, compensations and gift income.

Other operating expenses are costs indirectly related to the operating activities of the entity and include, in particular, loss on the disposal of non-financial fixed assets, revaluation of tangible fixed assets and inventories, costs of non-utilized production capacity not recognized as costs of manufacturing product, receivables revaluation write-offs, compensations, penalties paid, donations made, penalty interest on taxes, social security and customs duties as well as and costs related to random events.

Financial income includes interest income or interest due on extended credits and loans, income from securities trade and foreign exchange gains.

Financial costs include interest paid and accrued on credits and loans taken, losses related to securities trade, surplus of foreign exchange losses over foreign exchange gains, entries revaluating financial assets and short-term securities.

The Company's net financial income in a given accounting year includes all generated revenues and costs related to said revenues, pursuant to the principles presented hereinabove, other operating income and expenses, result of prudence-based pricing of assets and liabilities, net financial and taxation.

Corporate income tax, shown in the Profit and Loss Account, is calculated in adherence to Polish law, taking into account income generated in the territory of Poland and abroad, tax non-deductible costs, non-taxable income.

### **1.3.17. Manner of drawing up the financial statements**

The financial statement was prepared in accordance with Appendix 1 to the Accounting Act.

The company prepares a profit and loss account in a multiple-step variant.

The cash flow statement is prepared using the indirect method.

The financial statement was prepared in thousands of Polish zlotys.

**1.4. BASIC FINANCIAL DATA AND AVERAGE POLISH ZLOTY EXCHANGE RATES**

| Balance Sheet                              | PLN              |                  | EUR            |                |
|--|------------------|------------------|----------------|----------------|
|  | 31.12.2023       | 31.12.2022       | 31.12.2023     | 31.12.2022     |
| Fixed assets                               | 854 297          | 830 615          | 196 481        | 177 107        |
| Current assets                             | 1 576 669        | 1 384 129        | 362 619        | 295 130        |
| <b>Total assets</b>                        | <b>2 430 966</b> | <b>2 214 744</b> | <b>559 100</b> | <b>472 237</b> |
| Equity                                     | 1 431 452        | 1 201 619        | 329 221        | 256 214        |
| Liabilities and provisions for liabilities | 999 514          | 1 013 125        | 229 879        | 216 023        |
| <b>Total liabilities</b>                   | <b>2 430 966</b> | <b>2 214 744</b> | <b>559 100</b> | <b>472 237</b> |

| Shareholders' Equity                                    | PLN               |                   | EUR               |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2023              | 2022              | 2023              | 2022              |
| <b>Shareholders' equity</b>                             | <b>1 431 452</b>  | <b>1 201 619</b>  | <b>329 221</b>    | <b>256 214</b>    |
| Share capital   | 110 422           | 110 422           | 25 396            | 23 545            |
| <b>Number of shares</b>                                 | <b>13 802 750</b> | <b>13 802 750</b> | <b>13 802 750</b> | <b>13 802 750</b> |
| Earnings (loss) per ordinary share (in PLN/EUR)         | 20,60             | 5,26              | 4,55              | 1,12              |
| Diluted earnings (loss) per ordinary share (in PLN/EUR) | 20,60             | 5,26              | 4,55              | 1,12              |
| Book value per share (in PLN/EUR)                       | 103,71            | 87,06             | 23,85             | 18,56             |
| Diluted book value per share (in PLN/EUR)               | 103,71            | 87,06             | 23,85             | 18,56             |
| Declared or paid dividend per share (in PLN/EUR)        | 3,95              | 2,32              | 0,91              | 0,49              |

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| Profit and Loss Account   | PLN              |                  | EUR            |                |
|---|------------------|------------------|----------------|----------------|
|   | 2023             | 2022             | 2023           | 2022           |
| <b>Net sales of products, merchandise, materials and services</b> | <b>2 992 411</b> | <b>3 277 965</b> | <b>660 810</b> | <b>699 180</b> |
| Cost of products, merchandise and materials sold                  | 2 646 895        | 3 171 504        | 584 510        | 676 472        |
| <b>Gross profit (loss) on sales</b>                               | <b>345 516</b>   | <b>106 461</b>   | <b>76 300</b>  | <b>22 708</b>  |
| Cost of sales   | 13 765           | 17 226           | 3 040          | 3 674          |
| General and administrative (G&A) costs                            | 10 812           | 9 464            | 2 388          | 2 019          |
| <b>Profit (loss) on sales</b>                                     | <b>320 939</b>   | <b>79 771</b>    | <b>70 872</b>  | <b>17 015</b>  |
| Other operating income  | 111 911          | 685              | 24 713         | 146            |
| Other operating expenses  | 110 657          | 1 885            | 24 436         | 402            |
| <b>Operating profit (loss)</b>                                    | <b>322 193</b>   | <b>78 571</b>    | <b>71 149</b>  | <b>16 759</b>  |
| Financial revenues  | 41 678           | 32 198           | 9 204          | 6 868          |
| Financial expenses  | 11 153           | 19 159           | 2 463          | 4 087          |
| <b>Profit (loss) on business activity</b>                         | <b>352 718</b>   | <b>91 610</b>    | <b>77 890</b>  | <b>19 540</b>  |
| <b>Gross profit (loss)</b>  | <b>352 718</b>   | <b>91 610</b>    | <b>77 890</b>  | <b>19 540</b>  |
| Income tax  | 68 365           | 19 013           | 15 097         | 4 055          |
| <b>Net profit (loss)</b>  | <b>284 353</b>   | <b>72 597</b>    | <b>62 793</b>  | <b>15 485</b>  |

| Cash Flow Statement                 | PLN            |                | EUR           |               |
|-------------------------------------|----------------|----------------|---------------|---------------|
|                                     | 31.12.2023     | 31.12.2022     | 31.12.2023    | 31.12.2022    |
| Operational cash flows, net         | 376 696        | 186 033        | 83 185        | 39 680        |
| Investment activity cash flows, net | -204 587       | -192 283       | -45 179       | -41 013       |
| Financial activity cash flows, net  | -59 399        | -37 037        | -13 117       | -7 900        |
| <b>Total cash flows, net</b>        | <b>112 710</b> | <b>-43 287</b> | <b>24 890</b> | <b>-9 233</b> |

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Average EUR/PLN exchange rates in the period covered by the Financial Statement and comparable financial data, set by the National Bank of Poland:

- exchange rate prevailing on
  - 31 Dec. 2023 1 EUR = PLN 4.3480
  - 31 Dec. 2022 1 EUR = PLN 4.6899
- average exchange rate, calculated as the average arithmetic value of exchange rates prevailing on the last day of each month:
  - in 2023 1 EUR = PLN 4.5284
  - In 2022 1 EUR = PLN 4.6883
- the highest and lowest exchange rate in the accounting period:
  - in 2023 1 EUR = PLN 4.7895 - the highest rate  
1 EUR = PLN 4.3053 - the lowest rate
  - in 2022 1 EUR = PLN 4.9647 - the highest rate  
1 EUR = PLN 4.4879 - the lowest rate

The items in Profit and Loss Account for 2023 were converted into EUR using the annual average EUR/PLN exchange rate, which was PLN 4.5284.

### **1.5. THE AREAS OF MATERIAL DISCREPANCIES OF THE ADOPTED ACCOUNTING PRINCIPLES AND METHODS AND SHOWN DATA BETWEEN THE FINANCIAL STATEMENT DRAWN UP USING POLISH ACCOUNTING PRINCIPLES AND THE FINANCIAL STATEMENT THAT WOULD BE DRAWN UP USING INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

T.C. Debica S.A. draws up financial statement in accordance with US GAAP for the strategic investor The Goodyear Tires & Rubber Company for the purposes of drawing up a consolidated financial statement. Therefore, reliable pinpointing of discrepancies in the values of shown data between the Financial Statement drawn up using Polish accounting principles and the Financial Statement that would be drawn up using International Financial Reporting Standards (IFRS) is not possible.

The Company identified the most significant areas of occurrence of differences and their impact on the value of equity (net assets) and financial result between the presented financial information prepared in accordance with the Polish accounting principles and the financial information that would be prepared in accordance with IFRS.

For this purpose the Management Board used its best knowledge of standards and interpretations as well as accounting principles that would be applicable to drawing up of financial statements in accordance with IFRS.

As at the balance sheet date of 31 December 2023 the following differences vis-a-vis IFRS were identified:

- Initial recognition and depreciation of property, plant and equipment; according to the IFRS, the valuation of tangible fixed assets as of the reporting date is made according to the cost model or based

on the fair value-based revaluation. As of the balance sheet date of 31 December 2023, it is not possible to assess clearly the impact of IFRS application on the level of balance sheet total and shareholders' equity of the Company in 2023.

- The method of recognition of the bill of exchange discount transaction; in the financial statements drawn up in accordance with IFRS, the following items: Trade receivables and short-term liabilities - other financial liabilities would be higher by PLN 59.9 million as of the balance sheet date of 31 December 2023 and by PLN 60.7 million as of the balance sheet date of 31 December 2022 respectively. The above difference would not have impact on the level of the net financial income and shareholders' equity of the Company.

- Method of recognition and measurement of financial assets: IFRS9 introduces new classification criteria including the concept of expected credit losses. The Company analysed the classification at the level of individual financial instruments in the balance sheet. The SPPI test (cash flow test) and business model assessment classify financial instruments, i.e. trade receivables and short-term loans extended as measured at amortised cost. The impairment test did not show any significant differences requiring a write-down for credit losses expected to mature. According to the adopted accounting principles, the Company discloses financial assets in the amount of payment due and payable exercising due diligence. The pricing according to IFRS9 would require the recognition of a write-down for expected credit losses for trade receivables and loans extended and the amount of the write-down would not be material to the report as a whole.

- Method of recognition of fixed assets used under a lease contract: IFRS16, effective from 1 January 2019, requires that the right to use a given asset be recognised in the assets and the present value of future lease payments be recognised in the liabilities. The Company applies the principles of the Accounting Act, and each agreement under the Act accepts third party fixed assets for use, as a user from an entity called the financing party - is analyzed according to the terms and conditions listed in Article 3, par. 4. If a given contract meets at least one of the conditions listed in the Act, the fixed assets and their values are posted into the fixed assets category and are disclosed in the balance sheet. If a certain contract does not meet any of the conditions set forth in the Act, the Company recognizes the resultant liabilities in the off-balance liabilities and discloses them in Note 2d to the Financial Statement. Material discrepancy of reporting in accordance with IFRS in the recognition of lease contracts would result from the recognition of the right of perpetual usufruct of land, and would increase the balance sheet amount by PLN 29 620 thousand, i.e. the sum of discounted cash flows arising from this right.

## Tire Company Dębica S.A.

Financial Statement for the accounting year 2023

Data in thousands of PLN

| Balance Sheet  | Note | 2023             | 2022             |
|--|------|------------------|------------------|
| <b>ASSETS</b>  |      |                  |                  |
| <b>I. Fixed assets</b>   |      | <b>854 297</b>   | <b>830 615</b>   |
| 1. Intangible assets, of which:                                  | 1    | 8 808            | 7 032            |
| - goodwill   |      | 0                | 0                |
| 2. Tangible fixed assets   | 2    | 820 979          | 802 868          |
| 3. Long-term receivables   |      | 0                | 0                |
| 3.1. From related entities                                       |      | 0                | 0                |
| 3.2. From other entities in which the entity has equity exposure |      | 0                | 0                |
| 3.3. From other entities   |      | 0                | 0                |
| 4. Long-term investments   |      | 101              | 101              |
| 4.1. Real estates  |      | 0                | 0                |
| 4.2. Intangible assets   |      | 0                | 0                |
| 4.3. Long-term financial assets                                  | 3    | 101              | 101              |
| a) in other entities   |      | 101              | 101              |
| 4.4. Other long-term investments                                 |      | 0                | 0                |
| 5. Long-term prepayments   |      | 24 409           | 20 614           |
| 5.1. Deferred income tax assets                                  | 4    | 24 409           | 20 614           |
| 5.2. Other prepayments and accruals                              |      | 0                | 0                |
| <b>II. Current assets</b>  |      | <b>1 576 669</b> | <b>1 384 129</b> |
| 1. Inventory   | 5    | 131 538          | 131 202          |
| 2. Short-term receivables  | 6, 7 | 562 265          | 583 499          |
| 2.1. From related entities                                       |      | 548 315          | 560 208          |
| 2.2. From other entities in which the entity has equity exposure |      | 0                | 0                |
| 2.3. From other entities   |      | 13 950           | 23 291           |
| 3. Short-term investments  | 8    | 879 725          | 666 987          |
| 3.1. Short-term financial assets                                 |      | 879 725          | 666 987          |
| a) in related entities   |      | 700 000          | 600 000          |
| b) in other entities   |      | 0                | 0                |
| c) cash and other cash assets                                    |      | 179 725          | 66 987           |
| 3.2. Other short-term investments                                |      | 0                | 0                |
| 4. Short-term prepayments  | 9    | 3 141            | 2 441            |
| 5. Called up share capital (fund) not paid                       |      | 0                | 0                |
| 6. Own shares and stocks   |      | 0                | 0                |
| <b>Total assets</b>  |      | <b>2 430 966</b> | <b>2 214 744</b> |

## Tire Company Dębica S.A.

Financial Statement for the accounting year 2023

Data in thousands of PLN

| Balance Sheet  | Note | 2023             | 2022             |
|--|------|------------------|------------------|
| <b>LIABILITIES</b>   |      |                  |                  |
| <b>I. Equity</b>   |      | <b>1 431 452</b> | <b>1 201 619</b> |
| 1. Share capital   | 11   | 110 422          | 110 422          |
| 2. Supplementary capital   | 12   | 328 387          | 328 078          |
| 3. Revaluation capital   | 13   | 64 172           | 64 480           |
| 4. Other reserve capitals  | 14   | 644 118          | 626 042          |
| 5. Profit/loss from previous years                                       |      | 0                | 0                |
| 6. Gross profit/loss   |      | 284 353          | 72 597           |
| 7. Charges against net profit during the financial year (negative value) |      | 0                | 0                |
| <b>II. Liabilities and provisions for liabilities</b>                    |      | <b>999 514</b>   | <b>1 013 125</b> |
| 1. Provisions for liabilities  | 15   | 129 690          | 111 106          |
| 1.1. Provision for deferred income tax                                   |      | 80 809           | 65 780           |
| 1.2. Provision for retirement gratuities and equivalent                  |      | 44 827           | 43 509           |
| a) long-term   |      | 7 766            | 7 402            |
| b) short-term  |      | 37 061           | 36 107           |
| 1.3. Other provisions  |      | 4 054            | 1 817            |
| a) long-term   |      | 2 936            | 368              |
| b) short-term  |      | 1 118            | 1 449            |
| 2. Long-term liabilities   | 16   | 7 038            | 5 222            |
| 2.1. To related entities   |      | 0                | 0                |
| 2.2. To other entities in which the entity has equity involvement        |      | 0                | 0                |
| 2.3. To other entities   |      | 7 038            | 5 222            |
| 3. Short-term liabilities  | 17   | 862 786          | 896 797          |
| 3.1. To related entities   |      | 189 889          | 164 406          |
| 3.2. To other entities in which the entity has equity involvement        |      | 0                | 0                |
| 3.3. To other entities   |      | 671 841          | 731 794          |
| 3.4. Special funds   |      | 1 056            | 597              |
| 4. Accruals  |      | 0                | 0                |
| 4.1. Negative goodwill   |      | 0                | 0                |
| 4.2. Other accruals  |      | 0                | 0                |
| a) long-term   |      | 0                | 0                |
| b) short-term  |      | 0                | 0                |
| <b>Total liabilities</b>   |      | <b>2 430 966</b> | <b>2 214 744</b> |
| Book value   |      | 1 431 452        | 1 201 619        |
| Number of shares (pcs.)  |      | 13 802 750       | 13 802 750       |
| Book value per share (in PLN/EUR)  | 18   | 103.71           | 87.06            |
| Diluted number of shares (pcs.)  |      | 13 802 750       | 13 802 750       |
| Diluted book value per share (in PLN)                                    |      | 103.71           | 87.06            |



**Tire Company Dębica S.A.**

Financial Statement for the accounting year 2023

Data in thousands of PLN

| <b>Off-balance items</b>                                      | Note | 2023          | 2022          |
|---|------|---------------|---------------|
| 1. Contingent receivables                                     |      | 0             | 0             |
| 2. Contingent liabilities                                     |      | 59 879        | 60 663        |
| 3. Other (due to)   |      | 14 720        | 9 604         |
| - off-balance liabilities under long-term gas supply contract |      | 8 918         | 8 939         |
| - off-balance liabilities under long-term lease contract      |      | 5 802         | 665           |
| <b>Total off-balance items</b>                                |      | <b>74 599</b> | <b>70 267</b> |

## Tire Company Dębica S.A.

Financial Statement for the accounting year 2023

Data in thousands of PLN

| Profit and Loss Account  | Note | 2023             | 2022             |
|--|------|------------------|------------------|
| <b>I. Net sales of products, merchandise, materials and services</b> |      | <b>2 992 411</b> | <b>3 277 965</b> |
| - including from related entities                                    |      | 2 722 516        | 2 921 607        |
| 1. Net sales of products and services                                | 19   | 2 693 140        | 2 902 364        |
| 2. Net sales of merchandise and materials                            | 20   | 299 271          | 375 601          |
| <b>II. Costs of products, merchandise and materials sold</b>         |      | <b>2 646 895</b> | <b>3 171 504</b> |
| - including from related entities                                    |      | 2 379 951        | 2 841 847        |
| 1. Manufacturing costs of products sold                              | 21   | 2 351 601        | 2 823 488        |
| 2. Value of products and materials sold                              |      | 295 294          | 348 016          |
| <b>III. Gross profit (loss) on sales</b>                             |      | <b>345 516</b>   | <b>106 461</b>   |
| IV. Cost of sales  | 21   | 13 765           | 17 226           |
| V. General administrative expenses                                   | 21   | 10 812           | 9 464            |
| <b>VI. Profit (loss) on sales</b>                                    |      | <b>320 939</b>   | <b>79 771</b>    |
| VII. Other operating income  | 22   | 111 911          | 685              |
| 1. Proceeds from the disposal of non-financial fixed assets          |      | 531              | 429              |
| 2. Subsidies   |      | 0                | 0                |
| 3. Revaluation of non-financial assets                               |      | 52               | 0                |
| 4. Other operating income  |      | 111 328          | 256              |
| VIII. Other operating expenses                                       |      | 110 657          | 1 885            |
| 1. Loss on the disposal of non-financial fixed assets                |      | 0                | 0                |
| 2. Revaluation of non-financial assets                               |      | 17               | 146              |
| 3. Other operating costs   | 23   | 110 640          | 1 739            |
| <b>IX. Operating profit /loss</b>                                    |      | <b>322 193</b>   | <b>78 571</b>    |
| X. Financial income  | 24   | 41 678           | 32 198           |
| 1. Dividends and shares in profits, of which:                        |      | 0                | 59               |
| from related entities, including:                                    |      | 0                | 0                |
| in which the issuer holds equity stake                               |      | 0                | 0                |
| from other entities, including:                                      |      | 0                | 59               |
| in which the issuer holds equity stake                               |      | 0                | 59               |
| 2. Interest, of which:   |      | 41 678           | 32 139           |
| - from related entities  |      | 35 907           | 29 656           |
| 3. Proceeds from disposal of financial assets, of which:             |      | 0                | 0                |
| in related entities  |      | 0                | 0                |
| 4. Revaluation of financial assets                                   |      | 0                | 0                |
| 5. Other   |      | 0                | 0                |

**Tire Company Dębica S.A.**

Financial Statement for the accounting year 2023

Data in thousands of PLN

| <b>Profit and Loss Account – cont.</b>   | Note | 2022           | 2021          |
|--|------|----------------|---------------|
| XI. Financial expenses   | 25   | 11 153         | 19 159        |
| 1. Interest, of which:   |      | 3 649          | 5 085         |
| - for related entities   |      | 0              | 0             |
| 2. Loss on the disposal of financial assets, of which:   |      | 0              | 0             |
| in related entities  |      | 0              | 0             |
| 3. Revaluation of financial assets   |      | 0              | 0             |
| 4. Other   |      | 7 504          | 14 074        |
| <b>XII. Share in profits (losses) of subordinated entities accounted for using the equity method</b> |      | <b>0</b>       | <b>0</b>      |
| <b>XIII. Gross profit/loss</b>   |      | <b>352 718</b> | <b>91 610</b> |
| <b>XIV. Income tax</b>   | 27   | <b>68 365</b>  | <b>19 013</b> |
| a) current portion   |      | 57 132         | 14 472        |
| b) deferred portion  |      | 11 233         | 4 541         |
| <b>XV. Other mandatory decrease of profit (increase of loss)</b>                                     |      | <b>0</b>       | <b>0</b>      |
| <b>XVI. Net profit/loss</b>  |      | <b>284 353</b> | <b>72 597</b> |
| Net profit/loss (annualized)   |      | 284 353        | 72 597        |
| Average weighted number of ordinary shares (in pcs.)   |      | 13 802 750     | 13 802 750    |
| Earnings (loss) per ordinary share (in PLN)  | 29   | 20.60          | 5.26          |
| Average weighted diluted number of ordinary shares (in pcs.)   |      | 13 802 750     | 13 802 750    |
| Diluted earnings (loss) per ordinary share (in PLN)  |      | 20.60          | 5.26          |

## Tire Company Dębica S.A.

Financial Statement for the accounting year 2023

Data in thousands of PLN

| Statement of changes in Shareholders' Equity  | 2023             | 2022             |
|---|------------------|------------------|
| <b>I. Opening balance of shareholders' equity</b>   | <b>1 201 619</b> | <b>1 161 044</b> |
| a) changes in the adopted accounting principles (policy)  | 0                | 0                |
| b) correction of fundamental errors   | 0                | 0                |
| <b>I.a. Opening balance of shareholders' equity after restatement to comparative data</b>                     | <b>1 201 619</b> | <b>1 161 044</b> |
| <b>1. Opening balance of share capital</b>  | <b>110 422</b>   | <b>110 422</b>   |
| <b>1.1. Changes in share capital</b>  | 0                | 0                |
| a) additions, of which:   | 0                | 0                |
| - issue of shares   | 0                | 0                |
| b) reductions, of which:  | 0                | 0                |
| - redemption of shares  | 0                | 0                |
| <b>1.2. Closing balance of share capital</b>  | <b>110 422</b>   | <b>110 422</b>   |
| <b>2. Opening balance of supplementary capital</b>  | <b>328 078</b>   | <b>327 741</b>   |
| 2.1. Changes in the supplementary capital   | 309              | 337              |
| a) additions, of which:   | 309              | 337              |
| - allocation from the revaluation capital of amounts of revaluated liquidated fixed assets – current period   | 309              | 337              |
| - profit distribution (above the statutory minimum value)   | 0                | 0                |
| b) reductions, of which:  | 0                | 0                |
| - coverage of loss  | 0                | 0                |
| <b>2.2. Closing balance of supplementary capital</b>  | <b>328 387</b>   | <b>328 078</b>   |
| <b>3. Opening balance of revaluation capital</b>  | <b>64 480</b>    | <b>64 817</b>    |
| 3.1. Changes in revaluation capital   | -308             | -337             |
| a) additions, of which:   | 0                | 0                |
| b) reductions, of which:  | 308              | 337              |
| - reposting of figures from revaluation of disposal of fixed assets to supplementary capital - current period | 308              | 337              |
| <b>3.2. Closing balance of revaluation capital</b>  | <b>64 172</b>    | <b>64 480</b>    |
| <b>4. Opening balance of other reserve capital</b>  | <b>626 042</b>   | <b>615 385</b>   |
| 4.1. Changes in revaluation capital   | 18 076           | 10 657           |
| a) additions, of which:   | 18 076           | 10 657           |
| - allocation of 2022/2021 profits to the reserve capital, with an option of distribution among shareholders   | 18 076           | 10 657           |
| b) reductions, of which:  | 0                | 0                |
| <b>4.2. Closing balance of other reserve capital (funds)</b>  | <b>644 118</b>   | <b>626 042</b>   |

**Tire Company Dębica S.A.**

Financial Statement for the accounting year 2023

Data in thousands of PLN

| <b>Statement of changes in Shareholders' Equity – cont.</b>   | <b>2023</b>      | <b>2022</b>      |
|---|------------------|------------------|
| <b>5. Opening balance of retained earnings (profit/loss)</b>  | <b>72 597</b>    | <b>42 679</b>    |
| <b>5.1. Opening balance of retained earnings (profit)</b>   | <b>72 597</b>    | <b>42 679</b>    |
| a) changes in the adopted accounting principles (policy)  | 0                | 0                |
| b) correction of fundamental errors   | 0                | 0                |
| <b>5.2. Opening balance of retained earnings (profit) after the restatement to comparative data</b>         | <b>72 597</b>    | <b>42 679</b>    |
| a) additions, of which:   | 0                | 0                |
| - distribution of profits from previous years   | 0                | 0                |
| b) reductions, of which:  | 72 597           | 42 679           |
| - dividend for shareholders   | 54 521           | 32 022           |
| - allocation of 2021/2020 profits to the reserve capital, with an option of distribution among shareholders | 18 076           | 10 657           |
| <b>5.3. Closing balance of retained earnings (profit)</b>   | <b>0</b>         | <b>0</b>         |
| <b>5.4. Opening balance of retained earnings (loss)</b>   | <b>0</b>         | <b>0</b>         |
| a) changes in the adopted accounting principles (policy)  | 0                | 0                |
| b) correction of fundamental errors   | 0                | 0                |
| <b>5.5. Opening balance of retained earnings (loss) after the restatement to comparative data</b>           | <b>0</b>         | <b>0</b>         |
| a) additions, of which:   | 0                | 0                |
| - loss from previous years carried over for distribution  | 0                | 0                |
| b) reductions, of which:  | 0                | 0                |
| <b>5.6. Closing balance of retained earnings (loss)</b>   | <b>0</b>         | <b>0</b>         |
| <b>5.7. Closing balance of retained earnings (profit/loss)</b>  | <b>0</b>         | <b>0</b>         |
| <b>6. Net profit/loss</b>   | <b>284 353</b>   | <b>72 597</b>    |
| a) net profit   | 284 353          | 72 597           |
| b) net loss   | 0                | 0                |
| c) profit write-off   | 0                | 0                |
| <b>II. Closing balance of shareholders' equity</b>  | <b>1 431 452</b> | <b>1 201 619</b> |
| <b>III. Shareholders' equity adjusted with proposed profit distribution (loss coverage)</b>                 | <b>1 431 452</b> | <b>1 201 619</b> |

## Tire Company Dębica S.A.

Financial Statement for the accounting year 2023

Data in thousands of PLN

| Cash flow Statement   | 2023           | 2022           |
|---|----------------|----------------|
| <b>A. Operational activity cash flows</b>   |                |                |
| <b>I. Net profit/loss</b>   | <b>284 353</b> | <b>72 597</b>  |
| <b>II. Total adjustments</b>  | <b>92 343</b>  | <b>113 436</b> |
| 1. Share in (profit) net losses of entities accounted for using the equity method | 0              | 0              |
| 2. Amortization and depreciation  | 97 637         | 96 610         |
| 3. Foreign exchange gains/losses  | -28            | 46             |
| 4. Interest and share in profits (dividend)                                       | -35 398        | -27 809        |
| 5. Investment activity gain/loss  | 27 138         | -295           |
| 6. Change in the balance of provisions  | 18 584         | 3 264          |
| 7. Change in the balance of inventory   | -336           | 6 798          |
| 8. Change of receivables balance  | 21 234         | -143 293       |
| 9. Change in balances of short-term liabilities, excl. credits and loans          | -31 993        | 179 074        |
| 10. Change in balance of prepayments and accruals                                 | -4 495         | -959           |
| 11. Other adjustments   | 0              | 0              |
| <b>III. Operational cash flows, net (I+/-II) - indirect method</b>                | <b>376 696</b> | <b>186 033</b> |
| <b>B. Investment activity cash flows</b>  |                |                |
| <b>I. Cash inflows</b>  | <b>192 838</b> | <b>183 073</b> |
| 1. Disposal of intangibles and tangible fixed assets                              | 6 931          | 3 358          |
| 2. Disposal of investments in real estate and intangible assets                   | 0              | 0              |
| 3. From financial assets of which:  | 35 907         | 29 715         |
| a) in related entities  | 35 907         | 29 656         |
| - disposal of financial assets  | 0              | 0              |
| - dividends and shares in profits   | 0              | 0              |
| - repayment of long-term loans  | 0              | 0              |
| - interests   | 35 907         | 29 656         |
| - other inflows from financial assets   | 0              | 0              |
| b) in other entities  | 0              | 59             |
| - disposal of financial assets  | 0              | 0              |
| - dividends and shares in profits   | 0              | 59             |
| - repayment of long-term loans  | 0              | 0              |
| - interests   | 0              | 0              |
| - other inflows from financial assets   | 0              | 0              |
| 4. Other investment activity income   | 150 000        | 150 000        |

## Tire Company Dębica S.A.

Financial Statement for the accounting year 2023

Data in thousands of PLN

| Cash flow Statement  | 2023            | 2022            |
|--|-----------------|-----------------|
| <b>II. Cash outflows</b>   | <b>397 425</b>  | <b>375 356</b>  |
| 1. Acquisition of intangibles and tangible fixed assets  | 147 425         | 125 356         |
| 2. Investments in real estate and intangible assets  | 0               | 0               |
| 3. Into financial assets including:  | 0               | 0               |
| a) in related entities   | 0               | 0               |
| - acquisition of financial assets  | 0               | 0               |
| - long-term loans granted  | 0               | 0               |
| b) in other entities   | 0               | 0               |
| - acquisition of financial assets  | 0               | 0               |
| - long-term loans granted  | 0               | 0               |
| 4. Other capital expenditures  | 250 000         | 250 000         |
| <b>III. Investment activity cash flows, net (I-II)</b>   | <b>-204 587</b> | <b>-192 283</b> |
| <b>C. Financial activity cash flows</b>  |                 |                 |
| <b>I. Cash inflows</b>   | <b>0</b>        | <b>0</b>        |
| 1. Net income from issuing shares (issue of shares) and other capital instruments and additional capital contributions | 0               | 0               |
| 2. Credits and loans   | 0               | 0               |
| 3. Issue of debt securities  | 0               | 0               |
| 4. Other financial inflows   | 0               | 0               |
| <b>II. Cash outflows</b>   | <b>59 399</b>   | <b>37 037</b>   |
| 1. Acquisition of own shares (stock)   | 0               | 0               |
| 2. Dividends and other payments to owners  | 54 521          | 32 022          |
| 3. Other than distributions to owners expenditures on the distribution of profit                                       | 0               | 0               |
| 4. Repayment of credits and loans  | 0               | 0               |
| 5. Acquisition of debt securities  | 0               | 0               |
| 6. Due to other financial liabilities  | 0               | 0               |
| 7. Payments related to financial lease liabilities   | 4 369           | 3 109           |
| 8. Interest income   | 509             | 1 906           |
| 9. Other financial outflows  | 0               | 0               |
| <b>III. Financial activity cash flows, net (I-II)</b>  | <b>-59 399</b>  | <b>-37 037</b>  |
| <b>D. Total cash flows, net (A.III+/-B.III+/-C.III)</b>  | <b>112 710</b>  | <b>-43 287</b>  |
| <b>E. Balancing change of cash balance including:</b>  | <b>112 738</b>  | <b>-43 333</b>  |
| - change of cash flows balance due to FX gains/losses  | 28              | -46             |
| <b>F. Opening cash balance</b>   | <b>66 991</b>   | <b>110 278</b>  |
| <b>G. Closing cash balance (F+/-D), of which:</b>  | <b>179 701</b>  | <b>66 991</b>   |
| - restricted cash  | 3 118           | 4 302           |

**2. ADDITIONAL INFORMATION AND EXPLANATIONS****2.1. EXPLANATORY NOTES TO BALANCE SHEET****Note 1a**

| <b>Intangible assets</b>  | <b>2023</b>  | <b>2022</b>  |
|---|--------------|--------------|
| a) costs of completed development works                               | 0            | 0            |
| b) goodwill   | 0            | 0            |
| c) acquired concessions, patents, licenses and equivalents including: | 254          | 47           |
| - computer software   | 254          | 47           |
| d) other intangible assets  | 8 554        | 6 985        |
| e) advances against intangible assets                                 | 0            | 0            |
| <b>Total Intangible assets</b>  | <b>8 808</b> | <b>7 032</b> |



## Tire Company Dębica S.A.

Financial Statement for the accounting year 2023

Data in thousands of PLN

### Note 1b

| Changes in the balance of intangible assets (by category) / 2023 |                                      |          |  |                     |                         |                                    |                                |
|--|--------------------------------------|----------|--|---------------------|-------------------------|------------------------------------|--------------------------------|
|  | a                                    | b        | c  |                     | d                       | e                                  |                                |
|  | costs of completed development works | goodwill | acquired concessions, patents, licenses and equivalents including: | - computer software | other intangible assets | advances against intangible assets | <b>Total intangible assets</b> |
| a) opening balance of intangible assets, gross                   | 0                                    | 0        | 7 433  | 7 433               | 6 985                   | 0                                  | <b>14 418</b>                  |
| b) additions (due to)  | 0                                    | 0        | 218  | 218                 | 8 554                   | 0                                  | <b>8 772</b>                   |
| - purchase   | 0                                    | 0        | 218  | 218                 | 8 554                   | 0                                  | <b>8 772</b>                   |
| c) reductions (due to)   | 0                                    | 0        | 0  | 0                   | 6 985                   | 0                                  | <b>6 985</b>                   |
| - liquidation/amortization                                       | 0                                    | 0        | 0  | 0                   | 6 985                   | 0                                  | <b>6 985</b>                   |
| d) closing balance of intangible assets, gross                   | 0                                    | 0        | 7 651  | 7 651               | 8 554                   | 0                                  | <b>16 205</b>                  |
| e) opening balance of accumulated depreciation                   | 0                                    | 0        | 7 386  | 7 386               | 0                       | 0                                  | <b>7 386</b>                   |
| f) depreciation for the period (due to)                          | 0                                    | 0        | 11   | 11                  | 0                       | 0                                  | <b>11</b>                      |
| - accrued depreciation for the period                            | 0                                    | 0        | 11   | 11                  | 0                       | 0                                  | <b>11</b>                      |
| - liquidation  | 0                                    | 0        | 0  | 0                   | 0                       | 0                                  | <b>0</b>                       |
| g) closing balance of accumulated depreciation                   | 0                                    | 0        | 7 397  | 7 397               | 0                       | 0                                  | <b>7 397</b>                   |
| h) opening balance of impairment write-offs                      | 0                                    | 0        | 0  | 0                   | 0                       | 0                                  | <b>0</b>                       |
| i) closing balance of impairment write-offs                      | 0                                    | 0        | 0  | 0                   | 0                       | 0                                  | <b>0</b>                       |
| j) closing balance of intangible assets, net                     | 0                                    | 0        | 254  | 254                 | 8 554                   | 0                                  | <b>8 808</b>                   |

## Tire Company Dębica S.A.

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| Changes in the balance of intangible assets (by category) / 2022 | a                                    | b        | c  | d                   | e                       | Total intangible assets            |               |
|--|--------------------------------------|----------|--|---------------------|-------------------------|------------------------------------|---------------|
|  | costs of completed development works | goodwill | acquired concessions, patents, licenses and equivalents including: | - computer software | other intangible assets | advances against intangible assets |               |
| a) opening balance of intangible assets, gross                   | 0                                    | 0        | 7 406  | 7 406               | 0                       | 0                                  | <b>7 406</b>  |
| b) additions (due to)  | 0                                    | 0        | 27   | 27                  | 6 985                   | 0                                  | <b>7 012</b>  |
| - purchase   | 0                                    | 0        | 27   | 27                  | 6 985                   | 0                                  | <b>7 012</b>  |
| c) reductions (due to)   | 0                                    | 0        | 0  | 0                   | 0                       | 0                                  | <b>0</b>      |
| - liquidation/amortization                                       | 0                                    | 0        | 0  | 0                   | 0                       | 0                                  | <b>0</b>      |
| d) closing balance of intangible assets, gross                   | 0                                    | 0        | 7 433  | 7 433               | 6 985                   | 0                                  | <b>14 418</b> |
| e) opening balance of accumulated depreciation                   | 0                                    | 0        | 7 380  | 7 380               | 0                       | 0                                  | <b>7 380</b>  |
| f) depreciation for the period (due to)                          | 0                                    | 0        | 6  | 6                   | 0                       | 0                                  | <b>6</b>      |
| - accrued depreciation for the period                            | 0                                    | 0        | 6  | 6                   | 0                       | 0                                  | <b>6</b>      |
| - liquidation  | 0                                    | 0        | 0  | 0                   | 0                       | 0                                  | <b>0</b>      |
| g) closing balance of accumulated depreciation                   | 0                                    | 0        | 7 386  | 7 386               | 0                       | 0                                  | <b>7 386</b>  |
| h) opening balance of impairment write-offs                      | 0                                    | 0        | 0  | 0                   | 0                       | 0                                  | <b>0</b>      |
| i) closing balance of impairment write-offs                      | 0                                    | 0        | 0  | 0                   | 0                       | 0                                  | <b>0</b>      |
| j) closing balance of intangible assets, net                     | 0                                    | 0        | 47   | 47                  | 6 985                   | 0                                  | <b>7 032</b>  |

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**Note 1c**

| <b>Intangible assets (ownership structure)</b>                                       | <b>2023</b>  | <b>2022</b>  |
|--|--------------|--------------|
| a) own intangible assets   | 8 808        | 7 032        |
| b) used under a hire, rent or other agreement, including a lease contract, of which: | 0            | 0            |
| <b>Total intangible assets</b>   | <b>8 808</b> | <b>7 032</b> |

**Note 2a**

| <b>Tangible fixed assets</b>                            | <b>2023</b>    | <b>2022</b>    |
|---|----------------|----------------|
| a) fixed assets, of which:                              | 634 473        | 654 855        |
| - lands (including right of perpetual usufruct to land) | 97             | 97             |
| - buildings, premises and civil engineering structures  | 111 162        | 112 050        |
| - equipment and machinery                               | 513 857        | 533 777        |
| - means of transport                                    | 971            | 894            |
| - other fixed assets                                    | 8 386          | 8 037          |
| b) fixed assets under construction                      | 151 946        | 130 801        |
| c) advances against fixed assets under construction     | 34 560         | 17 212         |
| <b>Total tangible fixed assets</b>                      | <b>820 979</b> | <b>802 868</b> |

## Tire Company Dębica S.A.

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### Note 2b

| Changes in fixed assets (by category) / 2023           |   |  |                                 |                            |                            |                               |
|--|---|--|---------------------------------|----------------------------|----------------------------|-------------------------------|
|  | - lands<br>(including right<br>of perpetual<br>usufruct to<br>land) | - buildings,<br>premises and<br>civil<br>engineering<br>structures | - equipment<br>and<br>machinery | - means<br>of<br>transport | - other<br>fixed<br>assets | <b>Total fixed<br/>assets</b> |
| a) opening balance of fixed assets, gross              | 97  | 320 865  | 1 854 418                       | 2 819                      | 27 980                     | <b>2 206 179</b>              |
| b) additions (of which)                                | 0   | 8 279  | 101 267                         | 471                        | 2 060                      | <b>112 077</b>                |
| - from investments                                     | 0   | 8 279  | 94 792                          | 0                          | 1 363                      | <b>104 434</b>                |
| - taking on leases                                     | 0   | 0  | 6 475                           | 471                        | 697                        | <b>7 643</b>                  |
| c) reductions (of which)                               | 0   | 5 563  | 94 433                          | 150                        | 37                         | <b>100 183</b>                |
| - disposal   | 0   | 0  | 13 353                          | 15                         | 0                          | <b>13 368</b>                 |
| - liquidation  | 0   | 5 563  | 79 090                          | 0                          | 37                         | <b>84 690</b>                 |
| - return to the Lessor once the contract has expired   | 0   | 0  | 1 990                           | 135                        | 0                          | <b>2 125</b>                  |
| d) closing balance of fixed assets, gross              | 97  | 323 581  | 1 861 252                       | 3 140                      | 30 003                     | <b>2 218 073</b>              |
| e) opening balance of accumulated depreciation         | 0   | 208 760  | 1 320 504                       | 1 925                      | 19 943                     | <b>1 551 132</b>              |
| f) depreciation for the accounting period of which:    | 0   | 3 604  | 26 754                          | 244                        | 1 674                      | <b>32 276</b>                 |
| - accrued depreciation for the period                  | 0   | 7 102  | 88 427                          | 394                        | 1 704                      | <b>97 627</b>                 |
| - depreciation decline due to disposal and liquidation | 0   | 3 498  | 59 683                          | 15                         | 30                         | <b>63 226</b>                 |
| - return to the Lessor once the contract has expired   | 0   | 0  | 1 990                           | 135                        | 0                          | <b>2 125</b>                  |
| g) closing balance of accumulated depreciation         | 0   | 212 364  | 1 347 258                       | 2 169                      | 21 617                     | <b>1 583 408</b>              |
| h) opening balance of write-offs for impairment        | 0   | 55   | 137                             | 0                          | 0                          | <b>192</b>                    |
| - additions  | 0   | 0  | 0                               | 0                          | 0                          | <b>0</b>                      |
| - reductions   | 0   | 0  | 0                               | 0                          | 0                          | <b>0</b>                      |
| i) closing balance of write-offs for impairment        | 0   | 55   | 137                             | 0                          | 0                          | <b>192</b>                    |
| j) closing balance of fixed assets, net                | 97  | 111 162  | 513 857                         | 971                        | 8 386                      | <b>634 473</b>                |

## Tire Company Dębica S.A.

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| Changes in fixed assets (by category) / 2022           |   |  |                                 |                            |                            |                               |
|--|---|--|---------------------------------|----------------------------|----------------------------|-------------------------------|
|  | - lands<br>(including right<br>of perpetual<br>usufruct to<br>land) | - buildings,<br>premises and<br>civil<br>engineering<br>structures | - equipment<br>and<br>machinery | - means<br>of<br>transport | - other<br>fixed<br>assets | <b>Total fixed<br/>assets</b> |
| a) opening balance of fixed assets, gross              | 54  | 319 731  | 1 819 513                       | 2 611                      | 27 890                     | <b>2 169 799</b>              |
| b) additions (of which)                                | 56  | 1 219  | 61 821                          | 263                        | 2 189                      | <b>65 548</b>                 |
| - from investments                                     | 56  | 1 219  | 58 522                          | 0                          | 286                        | <b>60 083</b>                 |
| - taking on leases                                     | 0   | 0  | 3 299                           | 263                        | 1 903                      | <b>5 465</b>                  |
| c) reductions (of which)                               | 13  | 85   | 26 916                          | 55                         | 2 099                      | <b>29 168</b>                 |
| - disposal   | 13  | 0  | 5 801                           | 0                          | 126                        | <b>5 940</b>                  |
| - liquidation  | 0   | 85   | 17 607                          | 18                         | 1 358                      | <b>19 068</b>                 |
| - return to the Lessor once the contract has expired   | 0   | 0  | 3 508                           | 37                         | 615                        | <b>4 160</b>                  |
| d) closing balance of fixed assets, gross              | 97  | 320 865  | 1 854 418                       | 2 819                      | 27 980                     | <b>2 206 179</b>              |
| e) opening balance of accumulated depreciation         | 0   | 201 096  | 1 257 076                       | 1 640                      | 20 421                     | <b>1 480 233</b>              |
| f) depreciation for the accounting period of which:    | 0   | 7 664  | 63 428                          | 285                        | -478                       | <b>70 899</b>                 |
| - accrued depreciation for the period                  | 0   | 7 406  | 87 238                          | 340                        | 1 621                      | <b>96 605</b>                 |
| - depreciation decline due to disposal and liquidation | 0   | -258   | 20 302                          | 18                         | 1 484                      | <b>21 546</b>                 |
| - return to the Lessor once the contract has expired   | 0   | 0  | 3 508                           | 37                         | 615                        | <b>4 160</b>                  |
| g) closing balance of accumulated depreciation         | 0   | 208 760  | 1 320 504                       | 1 925                      | 19 943                     | <b>1 551 132</b>              |
| h) opening balance of write-offs for impairment        | 0   | 55   | 137                             | 0                          | 0                          | <b>192</b>                    |
| - additions  | 0   | 0  | 0                               | 0                          | 0                          | <b>0</b>                      |
| - reductions   | 0   | 0  | 0                               | 0                          | 0                          | <b>0</b>                      |
| i) closing balance of write-offs for impairment        | 0   | 55   | 137                             | 0                          | 0                          | <b>192</b>                    |
| j) closing balance of fixed assets, net                | 97  | 112 050  | 533 777                         | 894                        | 8 037                      | <b>654 855</b>                |

**Tire Company Dębica S.A.**

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**Note 2c**

| <b>Balance sheet fixed assets (ownership structure)</b>                            | <b>2023</b>    | <b>2022</b>    |
|--|----------------|----------------|
| a) own fixed assets  | 623 248        | 646 873        |
| b) used under rental, tenancy or other contract including lease contract including | 11 225         | 7 982          |
| - leased assets  | 11 225         | 7 982          |
| <b>Total balance sheet fixed assets</b>  | <b>634 473</b> | <b>654 855</b> |

**Note 2d**

| <b>Off-balance fixed assets</b>   | <b>2023</b>   | <b>2022</b>   |
|---|---------------|---------------|
| used under rental, tenancy or other contract including lease contract, including  | 51 764        | 49 211        |
| - real estate used under a lease agreement according to the estimated gross value | 0             | 0             |
| - operational lease   | 5 802         | 665           |
| - perpetual usufruct title to lands   | 45 962        | 48 546        |
| <b>Total off-balance fixed assets</b>   | <b>51 764</b> | <b>49 211</b> |

**Note 3a**

| <b>Change in intangible assets (by type groups)</b> | <b>2023</b> | <b>2022</b> |
|---|-------------|-------------|
| a) opening balance                                  | 7 032       | 26          |
| - computer software                                 | 47          | 26          |
| - other intangible assets                           | 6 985       | 0           |
| b) additions, by titles                             | 8 772       | 7 012       |
| - computer software                                 | 218         | 27          |
| - other intangible assets                           | 8 554       | 6 985       |
| c) reductions, by titles                            | 6 996       | 6           |
| - computer software                                 | 11          | 6           |
| - other intangible assets                           | 6 985       | 0           |
| d) closing balance                                  | 8 808       | 7 032       |
| - computer software                                 | 254         | 47          |
| - other intangible assets                           | 8 554       | 6 985       |

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**Note 3b**

| <b>Long-term financial assets</b>                | <b>2023</b> | <b>2022</b> |
|--|-------------|-------------|
| a) in related entities                           | 0           | 0           |
| - interests or shares                            | 0           | 0           |
| - debt securities                                | 0           | 0           |
| - other securities (by category)                 | 0           | 0           |
| - loans extended                                 | 0           | 0           |
| - other long-term financial assets (by category) | 0           | 0           |
| b) in jointly owned entities                     | 0           | 0           |
| - interests or shares                            | 0           | 0           |
| - debt securities                                | 0           | 0           |
| - other securities (by category)                 | 0           | 0           |
| - loans extended                                 | 0           | 0           |
| - other long-term financial assets (by category) | 0           | 0           |
| c) in associated entities                        | 0           | 0           |
| - interests or shares                            | 0           | 0           |
| - debt securities                                | 0           | 0           |
| - other securities (by category)                 | 0           | 0           |
| - loans extended                                 | 0           | 0           |
| - other long-term financial assets (by category) | 0           | 0           |
| d) in a major investor                           | 0           | 0           |
| - interests or shares                            | 0           | 0           |
| - debt securities                                | 0           | 0           |
| - other securities (by category)                 | 0           | 0           |
| - loans extended                                 | 0           | 0           |
| - other long-term financial assets (by category) | 0           | 0           |
| e) in a parent entity                            | 0           | 0           |
| - interests or shares                            | 0           | 0           |
| - debt securities                                | 0           | 0           |
| - other securities (by category)                 | 0           | 0           |
| - loans extended                                 | 0           | 0           |
| - other long-term financial assets (by category) | 0           | 0           |
| f) in other entities                             | 101         | 101         |
| - interests or shares                            | 101         | 101         |
| - debt securities                                | 0           | 0           |
| - other securities (by category)                 | 0           | 0           |
| - loans extended                                 | 0           | 0           |
| - other long-term financial assets (by category) | 0           | 0           |
| <b>Total long-term financial assets</b>          | <b>101</b>  | <b>101</b>  |

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Data in thousands of PLN

**Note 3c**

| <b>Change of balance of long-term financial assets (by category)</b> | <b>2023</b> | <b>2022</b> |
|--|-------------|-------------|
| a) opening balance   | 101         | 101         |
| b) additions (of which)  | 0           | 0           |
| c) reductions (of which)   | 0           | 0           |
| d) closing balance   | 101         | 101         |



## Tire Company Dębica S.A.

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### Note 3d

| Shares/interest in other entities | a   | b                 | c  | d                                      | e                           | f     | g                  | h   | i   |  |
|-----------------------------------|---|-------------------|--|--|-----------------------------|-------|--------------------|---|---|--|
|                                   | name of the entity, with legal status specified   | registered office | scope of activities  | balance sheet value of interests/share | entity's equity including*: |       | % of share capital | share in total number of votes at the General Meeting of Shareholders | value of interests/shares not paid up by the issuer | received or due dividends for the last accounting year |
|                                   |   |                   |  |  | share capital               |       |                    |   |   |  |
| 1                                 | TIRE RECYCLING CENTER, RECOVERY ORGANISATION S.A. | Warsaw            | Recovery and recycling of packaging and used waste (tires) | 101                                    | 1 385                       | 1 008 | 10,00%             | 10,00%  | 0   | 0  |

\*Data as of December 31, 2022

(latest available data as of the date of preparation of the financial statements by the Company)

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**Note 3e**

| <b>Securities, interests and other long-term financial assets (by currency)</b> | <b>2023</b> | <b>2022</b> |
|---|-------------|-------------|
| a) in Polish currency   | 101         | 101         |
| b) in foreign currencies (by currencies and after conversion into PLN)          | 0           | 0           |
| b1. unit /EUR currency/ ...   | 0           | 0           |
| <b>Total securities, interests and other long-term financial assets</b>         | <b>101</b>  | <b>101</b>  |

**Note 3f**

| <b>Securities, interests and other long-term financial assets<br/>(by marketability)</b> | <b>2023</b> | <b>2022</b> |
|--|-------------|-------------|
| A. With limited marketability (balance sheet value)                                      | 101         | 101         |
| a) interests and shares (balance sheet value):   | 101         | 101         |
| - revaluation adjustments (for the period)   | 0           | 0           |
| - value at the beginning of the period   | 0           | 0           |
| - value according to prices of acquisition   | 101         | 101         |
| b) bonds (balance sheet value):  | 0           | 0           |
| - revaluation adjustments (for the period)   | 0           | 0           |
| - value at the beginning of the period   | 0           | 0           |
| - value according to prices of acquisition   | 0           | 0           |
| c) other - by category (balance sheet value):  | 0           | 0           |
| c1 valuation of embedded derivatives   | 0           | 0           |
| - revaluation adjustments (for the period)   | 0           | 0           |
| - value at the beginning of the period   | 0           | 0           |
| - value according to prices of acquisition   | 0           | 0           |
| Total value according to prices of acquisition   | 101         | 101         |
| Total value at the beginning of the period   | 0           | 0           |
| Total revaluation adjustments (for the period)   | 0           | 0           |
| <b>Total balance sheet value</b>   | <b>101</b>  | <b>101</b>  |

**Note 4a**

| Change of the balance of deferred income tax assets   | 2023   | 2022   |
|---|--------|--------|
| 1. Total opening balance of the deferred income tax assets, including:  | 20 614 | 19 647 |
| a) included in the net financial income   | 20 614 | 19 647 |
| costs of unpaid, unfinished or not made available payments, benefits and other receivables due to the titles specified in art. 12 | 8 335  | 8 831  |
| value of created provisions for costs   | 9 247  | 7 587  |
| provisions for revaluation write-offs   | 2 737  | 2 905  |
| other   | 295    | 324    |
| 1a Valuation adjustment   | 0      | 0      |
| 2. Additions  | 5 060  | 3 657  |
| a) included in the net financial income in the accounting period with reference to negative temporary differences (of which):     | 5 060  | 3 657  |
| costs of unpaid, unfinished or not made available payments, benefits and other receivables due to the titles specified in art. 12 | 1 378  | 365    |
| value of created provisions for costs   | 3 508  | 3 252  |
| provisions for revaluation write-offs   | 0      | 33     |
| other   | 174    | 7      |
| 2a Valuation adjustment   | 0      | 0      |
| b) included in the net financial income in the accounting period in connection with tax loss (if which)                           | 0      | 0      |
| 3. Reductions   | 1 265  | 2 690  |
| a) included in the net financial income in the accounting period with reference to negative temporary differences (of which):     | 1 265  | 2 690  |
| costs of unpaid, unfinished or not made available payments, benefits and other receivables due to the titles specified in art. 12 | 707    | 861    |
| value of created provisions for costs   | 97     | 1 592  |
| provisions for revaluation write-offs   | 430    | 201    |
| other   | 31     | 36     |
| b) included in the net financial income in the accounting period in connection with tax loss (if which)                           | 0      | 0      |
| 4. Total closing balance of the deferred income tax assets, including:  | 24 409 | 20 614 |
| a) included in the net financial income   | 24 409 | 20 614 |
| costs of unpaid, unfinished or not made available payments, benefits and other receivables due to the titles specified in art. 12 | 9 006  | 8 335  |
| value of created provisions for costs   | 12 658 | 9 247  |
| provisions for revaluation write-offs   | 2 307  | 2 737  |
| other   | 438    | 295    |
| b) charged to equity  | 0      | 0      |
| 4A. Valuation adjustment  | 0      | 0      |
| 4B. Total closing balance of the deferred income tax assets, including:   | 24 409 | 20 614 |
| c) charged to goodwill or negative goodwill   | 0      | 0      |

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**Note 5a**

| <b>Inventory</b>                              | <b>2023</b>    | <b>2022</b>    |
|---|----------------|----------------|
| a) materials                                  | 88 487         | 112 763        |
| b) intermediate products and work in progress | 39 960         | 15 889         |
| c) finished goods                             | 3 091          | 2 550          |
| d) merchandise                                | 0              | 0              |
| <b>Total inventory</b>                        | <b>131 538</b> | <b>131 202</b> |

**Note 6a**

| <b>Short-term receivables</b>  | <b>2023</b>    | <b>2022</b>    |
|--|----------------|----------------|
| a) from related entities   | 548 315        | 560 208        |
| - trade receivables, with maturity:  | 439 615        | 560 208        |
| - below 12 months  | 439 615        | 560 208        |
| - other  | 108 700        | 0              |
| b) from other entities in which the entity has equity exposure                   | 0              | 0              |
| - trade receivables, with maturity:  | 0              | 0              |
| - below 12 months  | 0              | 0              |
| - above 12 months  | 0              | 0              |
| - claimed in court   | 0              | 0              |
| - other  | 0              | 0              |
| c) from other entities   | 13 950         | 23 291         |
| - trade receivables, with maturity:  | 12 586         | 22 703         |
| - below 12 months  | 12 586         | 22 703         |
| - above 12 months  | 0              | 0              |
| - due to taxes, customs, social and health insurance and other public law titles | 9              | 9              |
| - other  | 1 355          | 579            |
| - claimed in court   |                | 0              |
| Total short-term receivables, net  | 562 265        | 583 499        |
| d) receivables revaluation write-downs   | 12 200         | 13 737         |
| <b>Total short-term receivables, gross</b>                                       | <b>574 465</b> | <b>597 236</b> |

**Note 6b**

| <b>Short-term receivables from related entities</b>              | <b>2023</b>    | <b>2022</b>    |
|--|----------------|----------------|
| a) trade payables, of which:                                     | 439 615        | 560 208        |
| - from parent company  | 2 432          | 1 799          |
| - from other related entities                                    | 437 183        | 558 409        |
| b) other   | 108 700        | 0              |
| Total short-term receivables from related entities, net          | 548 315        | 560 208        |
| <b>Total short-term receivables from related entities, gross</b> | <b>548 315</b> | <b>560 208</b> |

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Short-term receivables from related entities include the amount of an advance due in respect of a property damage claim from an insurer whose technical payer is a related entity.

**Note 6c**

| <b>Short-term receivables from non-related entities</b>                           | <b>2023</b>   | <b>2022</b>   |
|---|---------------|---------------|
| a) trade payables   | 12 586        | 22 703        |
| b) due to taxes, customs, social and health insurance and other public law titles | 9             | 9             |
| c) other  | 1 355         | 579           |
| Total short-term receivables from non-related entities, net                       | 13 950        | 23 291        |
| d) write-downs revaluating receivables from non-related entities                  | 12 200        | 13 737        |
| <b>Total short-term receivables from non-related entities, gross</b>              | <b>26 150</b> | <b>37 028</b> |

**Note 6d**

| <b>Change of balance of write-downs revaluating short-term receivables</b> | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
| Opening balance  | 13 737        | 14 797        |
| a) additions (of which)  | 241           | 136           |
| - setting up provisions  | 241           | 136           |
| b) reductions (of which)   | 1 778         | 1 196         |
| - utilization  | 1 496         | 1 046         |
| - dissolution, paid  | 282           | 150           |
| Closing balance of write-down revaluating short-term receivables           | <b>12 200</b> | <b>13 737</b> |

**Note 6e**

| <b>Short-term receivables, gross (currency breakdown)</b>              | <b>2023</b>    | <b>2022</b>    |
|--|----------------|----------------|
| a) in Polish currency  | 43 220         | 48 474         |
| b) in foreign currencies (by currencies and after conversion into PLN) | 531 245        | 548 762        |
| b1. unit /currency '000/USD  | 26             | 54             |
| '000 PLN   | 104            | 236            |
| b2. unit /currency '000/EUR  | 122 158        | 116 959        |
| '000 PLN   | 531 141        | 548 526        |
| b3. unit /currency '000/GBP  | 0              | 0              |
| '000 PLN   | 0              | 0              |
| <b>Total short-term receivables</b>                                    | <b>574 465</b> | <b>597 236</b> |

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**Note 6f**

| <b>Gross trade receivables from other entities - with maturity counted from balancing date</b> | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
| a) below 1 month   | 5 772         | 9 678         |
| b) from 1 to 3 months  | 26 301        | 23 049        |
| c) from 3 to 6 months  | 0             | 0             |
| d) from 6 months to 1 year   | 0             | 0             |
| e) above 1 year  | 0             | 0             |
| f) overdue receivables   | 13 294        | 16 684        |
| g) rebates provision   | -20 581       | -12 971       |
| Total trade receivables, gross   | 24 786        | 36 440        |
| h) write-downs revaluating trade receivables   | -12 200       | -13 737       |
| <b>Total trade receivables, net</b>  | <b>12 586</b> | <b>22 703</b> |

Receivables specified in items a), b) and c), i.e. below 1 month, from 1 to 3 months and from 3 months to 6 months, are related to the regular course of sales of T.C. Dębica S.A.

**Note 6g**

| <b>Overdue trade receivables, gross – with the following ageing structure</b> | <b>2022</b>  | <b>2021</b>  |
|---|--------------|--------------|
| a) below 1 month  | 334          | 837          |
| b) from 1 to 3 months   | 209          | 138          |
| c) from 3 to 6 months   | 642          | 29           |
| d) from 6 months to 1 year  | -4           | 49           |
| e) above 1 year   | 12 113       | 15 631       |
| Total overdue trade receivables, gross  | 13 294       | 16 684       |
| f) write-downs revaluating overdue trade receivables                          | -12 200      | -13 737      |
| <b>Total overdue trade receivables, net</b>                                   | <b>1 094</b> | <b>2 947</b> |

**Note 7a****2023**

Gross short-term receivables amount to PLN 574,465 thousand, including PLN 13,294 thousand of overdue receivables.

Write-offs amount to PLN 12,200 thousand, including PLN 12,200 thousand relating to overdue receivables.

Gross long-term receivables do not exist.

Trade receivables claimed in court PLN 12,097 thousand.

Provision for trade receivables claimed in court PLN 12,097 thousand.

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### 2022

Gross short-term receivables amount to PLN 597,236 thousand, including PLN 16,684 thousand of overdue receivables.

Write-offs amount to PLN 13,737 thousand, including PLN 13,737 thousand relating to overdue receivables.

Gross long-term receivables do not exist.

Trade receivables claimed in court PLN 15,654 thousand.

Provision for trade receivables claimed in court PLN 13,667 thousand.

### Note 8a

| Short-term financial assets              | 2023           | 2022           |
|--|----------------|----------------|
| a) other related entities                | 700 000        | 600 000        |
| - loans extended                         | 700 000        | 600 000        |
| b) cash and other cash assets            | 179 725        | 66 987         |
| - cash in hand and cash at bank          | 179 725        | 66 987         |
| <b>Total short-term financial assets</b> | <b>879 725</b> | <b>666 987</b> |

### Note 8b

| Short-term loans extended (by currency)                                | 2023           | 2022           |
|--|----------------|----------------|
| a) in Polish currency  | 700 000        | 600 000        |
| b) in foreign currencies (by currencies and after conversion into PLN) | 0              | 0              |
| other currencies in '000 PLN   | 0              | 0              |
| <b>Total short-term loans extended</b>                                 | <b>700 000</b> | <b>600 000</b> |

### Note 8c

| Cash and cash equivalents (by currency)                                | 2023           | 2022          |
|--|----------------|---------------|
| a) in Polish currency  | 170 352        | 63 470        |
| b) in foreign currencies (by currencies and after conversion into PLN) | 9 373          | 3 517         |
| b1. unit /currency '000/USD  | 782            | 346           |
| '000 PLN   | 3 077          | 1 524         |
| b2. unit /currency '000/EUR  | 1 448          | 425           |
| '000 PLN   | 6 296          | 1 993         |
| other currencies in '000 PLN   | 0              | 0             |
| <b>Total cash and cash equivalents</b>                                 | <b>179 725</b> | <b>66 987</b> |

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**Note 9a**

| Short-term prepayments              | 2023         | 2022         |
|-------------------------------------|--------------|--------------|
| a) cost prepayments including:      | 3 141        | 2 441        |
| - property insurance                | 1 605        | 1 532        |
| - other                             | 1 536        | 909          |
| <b>Total short-term prepayments</b> | <b>3 141</b> | <b>2 441</b> |

**Note 10a****2023**

The write-down of inventories was made as a result of prudent valuation of materials, products and goods.

For 12 months of 2023, the revaluation of non-financial assets amounted to PLN 17 thousand and concerned the inventory of materials (PLN 17 thousand) and finished goods (PLN 0 thousand).

At the same time, the value of the write-down on materials was adjusted (decreased) by PLN 161 thousand, which in the profit and loss account decreased the cost of products sold.

**2022**

The write-down of inventories was made as a result of prudent valuation of materials, products and goods.

For 12 months of 2022, the revaluation of non-financial assets amounted to PLN 167 thousand and concerned the inventory of materials (PLN 167 thousand) and finished goods (PLN 0 thousand).

At the same time, the value of the write-down on materials was adjusted (decreased) by PLN 33 thousand, which in the profit and loss account decreased the cost of products sold.

**Note 11a**

| Share Capital (structure)           |                  |                                |   |                   |  |                                     |                      |   |
|-------------------------------------|------------------|--------------------------------|---|-------------------|--|-------------------------------------|----------------------|---|
|                                     |                  |                                |   | in '000 PLN       |  |                                     |                      |   |
| Series/<br>issue                    | Share<br>classes | Type of<br>stock<br>preference | Type of<br>limitation<br>of rights to<br>shares | No. of shares     | Value of<br>series/issue<br>by par value | Way of<br>bringing<br>up<br>capital | Registration<br>date | Right to<br>dividend<br>(effective<br>from the<br>date) |
| A i B                               | DĘBICA           | -                              |   | 10 100 000        | 80 800                                   | cash                                | 23.05.1995           | 09.05.1995  |
| C                                   | DĘBICA           | -                              |   | 3 702 750         | 29 622                                   | cash                                | 11.04.1996           | 01.01.1996  |
|                                     |                  |                                |   |                   |  |                                     |                      |   |
|                                     |                  |                                |   |                   |  |                                     |                      |   |
| <b>Total number of shares</b>       |                  |                                |   | <b>13 802 750</b> |  |                                     |                      |   |
| <b>Total share capital</b>          |                  |                                |   |                   | <b>110 422</b>                           |                                     |                      |   |
| <b>Par value per share (in PLN)</b> |                  |                                |   | <b>8,00</b>       |  |                                     |                      |   |

Shareholders holding directly or indirectly through subsidiaries at least 5% of the total number of votes at the General Meeting of Shareholders:



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- According to the information available to the Company, as at the date of publication of the annual report, Goodyear Holdings S.à r.l., with its registered office in Luxembourg, was the shareholder holding 12,042,976 shares, accounting for 87.251% of the Company's share capital, conferring the right to 12,042,976 votes at the Company's General Meeting of Shareholders, accounting approximately for 87.251% of the total number of votes at the Company's General Meeting of Shareholders\*.
- FRAM Fundusz Inwestycyjny Zamknięty with its registered office in Warsaw, Lemuria Partners Sicav P.L.C with its registered office in Malta, Otwarty Fundusz Emerytalny Nationale-Nederlanden represented by Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A. with its registered office in Warsaw and PKO BP Bankowy Otwarty Fundusz Emerytalny represented by PKO BP BANKOWY Powszechne Towarzystwo Emerytalne S.A. with its registered office in Warsaw forming the Agreement concluded pursuant to Article 87 section 1 point 5 of the Act of 29 July 2005 on public offerings and conditions governing the introduction of financial instruments to organised trading, and on public companies, holding 889 498 shares of the Company, entitling to 889 498 votes at the general meeting of the Company, constituting approximately 6.44% of the total number of votes at the general meeting of the Company\*\*.

\* Source: Current Report No. 17/2019 Receipt of notification from Goodyear Group companies on changes in the ownership of the company's shares in connection with the transaction concluded in the regulated market, Publication date: 19 June 2019.

\*\* Source: Current Report No. 22/2023 Shareholders holding at least 5% of the votes at the Annual General Meeting on 24 July 2023, Publication date: 25 July 2023.

### Note 12a

| Supplementary capital   | 2023           | 2022           |
|---|----------------|----------------|
| a) share premium account  | 130 164        | 130 164        |
| b) statutory capital  | 36 807         | 36 807         |
| c) capital provided for under the articles or deed above the required minimum statutory level                                       | 139 263        | 139 263        |
| d) supplementary contributions made by shareholders/partners  | 0              | 0              |
| e) other (by category)  | 22 153         | 21 844         |
| - reposting of reserve capital from revaluation of fixed assets –liquidated and disposed of   | 20 469         | 20 160         |
| - increase of supplementary capital in 1991 by a transfer from social fund – depreciation of fixed assets used in social activities | 1 614          | 1 614          |
| - setting up supplementary capital from distribution of retained earnings   | 70             | 70             |
| <b>Total supplementary capital</b>  | <b>328 387</b> | <b>328 078</b> |

### Note 13a

| Revaluation capital   | 2023          | 2022          |
|---|---------------|---------------|
| a) revaluation of fixed assets  | 63 691        | 63 999        |
| b) from profits/losses from the valuation of financial instruments, including | 0             | 0             |
| - from the valuation of hedging instruments                                   | 0             | 0             |
| c) deferred tax assets  | 481           | 481           |
| <b>Total revaluation capital</b>  | <b>64 172</b> | <b>64 480</b> |

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**Note 14a**

| <b>Other reserve capital (by purpose)</b>  | <b>2023</b>    | <b>2022</b>    |
|--|----------------|----------------|
| - to cover contingent losses related to non-production assets  | 5 362          | 5 362          |
| - allocation of 2000 profits to the reserve capital, with an option of distribution among shareholders | 34 445         | 34 445         |
| - allocation of 2001 profits to the reserve capital, with an option of distribution among shareholders | 4 802          | 4 802          |
| - allocation of 2002 profits to the reserve capital, with an option of distribution among shareholders | 629            | 629            |
| - allocation of 2003 profits to the reserve capital, with an option of distribution among shareholders | 1 698          | 1 698          |
| - allocation of 2004 profits to the reserve capital, with an option of distribution among shareholders | 158            | 158            |
| - allocation of 2005 profits to the reserve capital, with an option of distribution among shareholders | 34             | 34             |
| - allocation of 2006 profits to the reserve capital, with an option of distribution among shareholders | 30 626         | 30 626         |
| - allocation of 2007 profits to the reserve capital, with an option of distribution among shareholders | 28 040         | 28 040         |
| - allocation of 2008 profits to the reserve capital, with an option of distribution among shareholders | 67 916         | 67 916         |
| - allocation of 2009 profits to the reserve capital, with an option of distribution among shareholders | 9 916          | 9 916          |
| - allocation of 2010 profits to the reserve capital, with an option of distribution among shareholders | 40 829         | 40 829         |
| - allocation of 2011 profits to the reserve capital, with an option of distribution among shareholders | 45 384         | 45 384         |
| - allocation of 2012 profits to the reserve capital, with an option of distribution among shareholders | 46 773         | 46 773         |
| - allocation of 2013 profits to the reserve capital, with an option of distribution among shareholders | 57 831         | 57 831         |
| - allocation of 2014 profits to the reserve capital, with an option of distribution among shareholders | 43 467         | 43 467         |
| - allocation of 2015 profits to the reserve capital, with an option of distribution among shareholders | 39 437         | 39 437         |
| - allocation of 2016 profits to the reserve capital, with an option of distribution among shareholders | 32 317         | 32 317         |
| - allocation of 2017 profits to the reserve capital, with an option of distribution among shareholders | 29 856         | 29 856         |
| - allocation of 2018 profits to the reserve capital, with an option of distribution among shareholders | 22 395         | 22 395         |
| - allocation of 2019 profits to the reserve capital, with an option of distribution among shareholders | 56 424         | 56 424         |
| - allocation of 2020 profits to the reserve capital, with an option of distribution among shareholders | 17 046         | 17 046         |
| - allocation of 2021 profits to the reserve capital, with an option of distribution among shareholders | 10 657         | 10 657         |
| - allocation of 2022 profits to the reserve capital, with an option of distribution among shareholders | 18 076         | 0              |
| <b>Total other reserve capitals</b>  | <b>644 118</b> | <b>626 042</b> |

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**Note 15a**

| <b>Change in the balance of provision for deferred income tax</b>   | <b>2023</b> | <b>2022</b> |
|---|-------------|-------------|
| 1. Opening balance of the deferred income tax provision, including:   | 65 780      | 60 272      |
| a) included in the net financial income   | 65 780      | 60 272      |
| difference between accounting and tax treatment of depreciation   | 64 657      | 59 536      |
| interest charged to and not received from the contractors including interests on extended loans (credits)                     | 704         | 265         |
| prepayments   | 443         | 469         |
| other   | -24         | 2           |
| 2. Additions  | 21 342      | 5 770       |
| a) included in the net financial income in the accounting period with reference to positive temporary differences (of which): | 21 342      | 5 770       |
| difference between accounting and tax treatment of depreciation   | 0           | 5 273       |
| interest charged to and not received from the contractors including interests on extended loans (credits)                     | 3           | 439         |
| prepayments   | 180         | 58          |
| due uncollected property insurance compensation   | 20 653      | 0           |
| other   | 506         | 0           |
| 3. Reductions   | 6 313       | 262         |
| a) included in the net financial income in the accounting period with reference to positive temporary differences (of which): | 6 313       | 262         |
| difference between accounting and tax treatment of depreciation   | 6 298       | 152         |
| interest charged to and not received from the contractors including interests on extended loans (credits)                     | 15          | 0           |
| prepayments   | 0           | 84          |
| other   | 0           | 26          |
| 4. Total closing balance of the deferred income tax provision   | 80 809      | 65 780      |
| a) included in the net financial income   | 80 809      | 65 780      |
| difference between accounting and tax treatment of depreciation   | 58 359      | 64 657      |
| interest charged to and not received from the contractors including interests on extended loans (credits)                     | 692         | 704         |
| prepayments   | 623         | 443         |
| due uncollected property insurance compensation   | 20 653      | 0           |
| other   | 482         | -24         |
| 4a. Total closing balance of the deferred income tax provision  | 80 809      | 65 780      |

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**Note 15b**

| <b>Change in the balance of long-term provision for retirement benefits and equivalents (by title)</b> | <b>2023</b> | <b>2022</b> |
|--|-------------|-------------|
| a) opening balance   | 7 402       | 10 788      |
| - retirement gratuities  | 6 857       | 10 409      |
| - other employee benefits due, but unpaid  | 545         | 379         |
| b) additions (of which)  | 769         | 545         |
| - retirement gratuities  | 513         | 0           |
| - other employee benefits due, but unpaid  | 256         | 545         |
| c) utilization (of which)  | 0           | 379         |
| - retirement gratuities  | 0           | 0           |
| - other employee benefits due, but unpaid  | 0           | 379         |
| d) dissolution (of which)  | 405         | 3 552       |
| - retirement gratuities  | 0           | 3 552       |
| - other employee benefits due, but unpaid  | 405         | 0           |
| e) closing balance   | 7 766       | 7 402       |
| - retirement gratuities  | 7 370       | 6 857       |
| - other employee benefits due, but unpaid  | 396         | 545         |

**Note 15c**

| <b>Change in the balance of short-term provision for retirement benefits and equivalents (by title)</b> | <b>2023</b> | <b>2022</b> |
|---|-------------|-------------|
| a) opening balance  | 36 107      | 35 285      |
| - provision for bonuses   | 25 649      | 25 525      |
| - provision for retirement gratuities   | 1 084       | 671         |
| - provision for unused holidays   | 9 374       | 9 089       |
| b) additions (of which)   | 39 662      | 35 435      |
| - provision for bonuses   | 32 243      | 25 649      |
| - provision for retirement gratuities   | 183         | 413         |
| - provision for unused holidays   | 7 236       | 9 373       |
| c) utilization (of which)   | 38 638      | 34 485      |
| - provision for bonuses   | 29 265      | 25 397      |
| - provision for retirement gratuities   | 0           | 0           |
| - provision for unused holidays   | 9 373       | 9 088       |
| d) dissolution (of which)   | 70          | 128         |
| - provision for bonuses   | 70          | 128         |
| - provision for retirement gratuities   | 0           | 0           |
| - provision for unused holidays   | 0           | 0           |
| e) closing balance  | 37 061      | 36 107      |
| - provision for bonuses   | 28 557      | 25 649      |
| - provision for retirement gratuities   | 1 267       | 1 084       |
| - provision for unused holidays   | 7 237       | 9 374       |

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**Note 15d**

| <b>Change in balance of other long-term provisions (by title)</b> | <b>2023</b> | <b>2022</b> |
|---|-------------|-------------|
| a) opening balance  | 368         | 413         |
| - tire warranties extended  | 368         | 413         |
| - restructuring provision (severance pays for laid-off workers)   | 0           | 0           |
| b) additions (of which)   | 2 730       | 0           |
| - tire warranties extended  | 0           | 0           |
| - restructuring provision (severance pays for laid-off workers)   | 2 730       | 0           |
| c) utilization (of which)   | 162         | 0           |
| - tire warranties extended  | 162         | 0           |
| - restructuring provision (severance pays for laid-off workers)   | 0           | 0           |
| d) dissolution (of which)   | 0           | 45          |
| - tire warranties extended  | 0           | 45          |
| - restructuring provision (severance pays for laid-off workers)   | 0           | 0           |
| e) closing balance  | 2 936       | 368         |
| - tire warranties extended  | 206         | 368         |
| - restructuring provision (severance pays for laid-off workers)   | 2 730       | 0           |

**Note 15e**

| <b>Change in balance of other short-term provisions (by title)</b>        | <b>2023</b> | <b>2022</b> |
|---|-------------|-------------|
| a) opening balance  | 1 449       | 1 084       |
| - restructuring provision (severance pays for laid-off workers)           | 1 449       | 1 084       |
| b) additions (of which)   | 2 565       | 714         |
| - restructuring provision (severance pays for laid-off workers)           | 2 565       | 714         |
| c) utilization (of which)   | 1 594       | 349         |
| - restructuring provision (payment of severance pays to laid-off workers) | 1 594       | 349         |
| d) dissolution (of which)   | 1 302       | 0           |
| - restructuring provision (severance pays for laid-off workers)           | 1 302       | 0           |
| e) closing balance  | 1 118       | 1 449       |
| - restructuring provision (severance pays for laid-off workers)           | 1 118       | 1 449       |

**Note 16a**

| <b>Long-term liabilities</b>              | <b>2023</b>  | <b>2022</b>  |
|---|--------------|--------------|
| a) to other entities                      | 7 038        | 5 222        |
| - credits and loans                       | 0            | 0            |
| - related to the issue of debt securities | 0            | 0            |
| - other financial liabilities, of which:  | 7 038        | 5 222        |
| - financial lease contracts               | 7 038        | 5 222        |
| - other (by category)                     | 0            | 0            |
| - embedded derivatives                    | 0            | 0            |
| <b>Total long-term liabilities</b>        | <b>7 038</b> | <b>5 222</b> |

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**Note 16b**

| <b>Long-term liabilities with maturity from balancing date</b> | <b>2023</b>  | <b>2022</b>  |
|--|--------------|--------------|
| a) from 1 to 3 years   | 5 542        | 3 940        |
| b) from 3 to 5 years   | 1 496        | 1 282        |
| c) above 5 years   | 0            | 0            |
| <b>Total long-term liabilities</b>                             | <b>7 038</b> | <b>5 222</b> |

**Note 16c**

| <b>Long-term liabilities (by currency)</b> | <b>2023</b>  | <b>2022</b>  |
|--|--------------|--------------|
| a) in Polish currency                      | 7 038        | 5 222        |
| <b>Total long-term liabilities</b>         | <b>7 038</b> | <b>5 222</b> |

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### Note 16d

#### Long-term liabilities related to credits and loans

| Name of entity<br>(company) | Registered<br>office | Credit /loan amount under Agreement |               |               |      | Amount of credit/loan to be repaid |               |               |      | Terms of payment    |               | Securities & collaterals  |
|-----------------------------|----------------------|-------------------------------------|---------------|---------------|------|------------------------------------|---------------|---------------|------|---------------------|---------------|---|
|                             |                      | including legal<br>status           | ('000<br>PLN) | currency      | unit | currency                           | ('000<br>PLN) | currency      | unit | currency            | interest rate |   |
| BANK PEKAO<br>S.A.          | WARSZAWA             | 60 000                              | 0             | ('000<br>PLN) | PLN  | 0                                  | 0             | ('000<br>PLN) | PLN  | WIBOR 1M +<br>1.30% | 31.10.2025    | a power of attorney to use<br>current account, statement<br>about voluntary subjecting<br>oneself to enforcement<br>procedure pursuant to Art. 777<br>§ 1 of the Act on Civil<br>Procedure Code |
| BNP PARIBAS                 | WARSZAWA             | 40 000                              | 0             | ('000<br>PLN) | PLN  | 0                                  | 0             | ('000<br>PLN) | PLN  | WIBOR 1M +<br>1.00% | 30.09.2024    | a power of attorney to use<br>current account, statement<br>about voluntary subjecting<br>oneself to enforcement<br>procedure pursuant to Art. 777<br>§ 1 of the Act on Civil<br>Procedure Code |
| MBANK SA                    | WARSZAWA             | 45 000                              | 0             | ('000<br>PLN) | PLN  | 0                                  | 0             | ('000<br>PLN) | PLN  | WIBOR ON +<br>1.60% | 27.09.2024    | a power of attorney to use<br>current account, statement<br>about voluntary subjecting<br>oneself to enforcement<br>procedure pursuant to Art. 777<br>§ 1 of the Act on Civil<br>Procedure Code |
|                             |                      | 145 000                             |               |               |      |                                    |               |               |      |                     |               |   |

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**Note 17a**

| <b>Short-term liabilities</b>                                     | <b>2023</b>    | <b>2022</b>    |
|---|----------------|----------------|
| a) short term liabilities to related entities                     | 189 889        | 164 406        |
| a1) to parent entity  | 11 203         | 3 801          |
| - credits and loans, of which:                                    | 0              | 0              |
| - long-term under repayment                                       | 0              | 0              |
| - related to the issue of debt securities                         | 0              | 0              |
| - dividend related  | 0              | 0              |
| - other financial liabilities, of which:                          | 0              | 0              |
| - trade payables, with maturity:                                  | 11 203         | 3 801          |
| - below 12 months   | 11 203         | 3 801          |
| - above 12 months   | 0              | 0              |
| - prepaid deliveries  | 0              | 0              |
| - bill of exchange liabilities                                    | 0              | 0              |
| - other (by category)   | 0              | 0              |
| a2) to other related entities                                     | 178 686        | 160 605        |
| - trade payables, with maturity:                                  | 178 686        | 160 605        |
| - below 12 months   | 178 686        | 160 605        |
| - dividend related  | 0              | 0              |
| b) to other entities  | 671 841        | 731 794        |
| - credits and loans, of which:                                    | 0              | 0              |
| - long-term under repayment                                       | 0              | 0              |
| - related to the issue of debt securities                         | 0              | 0              |
| - dividend related  | 0              | 0              |
| - other financial liabilities, of which:                          | 4 435          | 2 977          |
| - financial lease contracts                                       | 4 435          | 2 977          |
| - trade payables, with maturity:                                  | 538 559        | 666 358        |
| - below 12 months   | 538 559        | 666 358        |
| - above 12 months   | 0              | 0              |
| - prepaid deliveries  | 0              | 0              |
| - bill of exchange liabilities                                    | 0              | 0              |
| - related to taxes, subsidies, custom duties, insurance and other | 87 320         | 38 502         |
| - wages and salaries  | 14 062         | 0              |
| - other (by title)  | 27 465         | 23 957         |
| - investment liabilities  | 27 465         | 23 954         |
| - other   | 0              | 3              |
| d) special funds (by title)                                       | 1 056          | 597            |
| <b>Total short-term liabilities</b>                               | <b>862 786</b> | <b>896 797</b> |



**Tire Company Dębica S.A.**

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**Note 17b**

| <b>Short-term liabilities (by currency)</b>                            | <b>2023</b>    | <b>2022</b>    |
|--|----------------|----------------|
| a) in Polish currency  | 372 266        | 255 326        |
| b) in foreign currencies (by currencies and after conversion into PLN) | 490 520        | 641 471        |
| b1. unit /currency '000/USD  | 3 175          | 2 307          |
| '000 PLN   | 12 495         | 10 154         |
| b2. unit/currency '000/EUR   | 109 920        | 134 612        |
| '000 PLN   | 477 931        | 631 317        |
| b3. unit/currency '000/GBP   | 18             | 0              |
| '000 PLN   | 89             | 0              |
| b4. unit/currency '000/CHF   | 1              | 0              |
| '000 PLN   | 5              | 0              |
| <b>Total short-term liabilities</b>                                    | <b>862 786</b> | <b>896 797</b> |

**Note 18a**

Book value per share = Equity value/number of shares.

The Company does not plan any new issues of shares, nor it has issued any bonds convertible into shares, nor other events occurred that would increase the expected number of shares, therefore the book value per share is equal to diluted book value per share.

## 2.2. EXPLANATORY NOTES TO PROFIT AND LOSS ACCOUNT

## Note 19a

| Net sales of products (by type of activity)  | 2023             | 2022             |
|--|------------------|------------------|
| - revenues from the sales of rubber products | 2 660 688        | 2 882 713        |
| - of which: from related entities            | 2 659 108        | 2 880 869        |
| - revenues from sales of services            | 32 452           | 19 651           |
| - of which: from related entities            | 30 185           | 17 852           |
| <b>Total net sales of products</b>           | <b>2 693 140</b> | <b>2 902 364</b> |
| - of which: from related entities            | 2 689 293        | 2 898 721        |

## Note 19b

| Net sales of products (by geographical area) | 2023             | 2022             |
|--|------------------|------------------|
| a) domestic market                           | 4 037            | 3 584            |
| - of which: from related entities            | 1 765            | 1 749            |
| - revenues from the sales of rubber products | 5                | 36               |
| - of which: from related entities            | 0                | 0                |
| - revenues from sales of services            | 4 032            | 3 548            |
| - of which: from related entities            | 1 765            | 1 749            |
| b) export markets                            | 2 689 103        | 2 898 780        |
| - of which: from related entities            | 2 687 528        | 2 896 972        |
| - revenues from the sales of rubber products | 2 660 683        | 2 882 677        |
| - of which: from related entities            | 2 659 108        | 2 880 869        |
| - revenues from sales of services            | 28 420           | 16 103           |
| - of which: from related entities            | 28 420           | 16 103           |
| <b>Total net sales of products</b>           | <b>2 693 140</b> | <b>2 902 364</b> |
| - of which: from related entities            | 2 689 293        | 2 898 721        |

## Note 20a

| Net sales of commodities and materials (by type of activity) | 2023           | 2022           |
|--|----------------|----------------|
| - revenues from the sales of materials                       | 33 223         | 22 886         |
| - of which: from related entities                            | 33 223         | 22 886         |
| - revenues from the sales of commodities                     | 266 048        | 352 715        |
| - of which: from related entities                            | 0              | 0              |
| <b>Total net sales of commodities and materials</b>          | <b>299 271</b> | <b>375 601</b> |
| - of which: from related entities                            | 33 223         | 22 886         |

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**Note 20b**

| <b>Net sales of commodities and materials (by geographical area)</b> | <b>2023</b>    | <b>2022</b>    |
|--|----------------|----------------|
| a) domestic market   | 266 048        | 352 715        |
| - of which: from related entities                                    | 0              | 0              |
| - revenues from the sales of materials                               | 0              | 0              |
| - of which: from related entities                                    | 0              | 0              |
| - revenues from sales of commodities                                 | 266 048        | 352 715        |
| - of which: from related entities                                    | 0              | 0              |
| b) export markets  | 33 223         | 22 886         |
| - of which: from related entities                                    | 33 223         | 22 886         |
| - revenues from the sales of materials                               | 33 223         | 22 886         |
| - of which: from related entities                                    | 33 223         | 22 886         |
| - revenues from sales of commodities                                 | 0              | 0              |
| - of which: from related entities                                    | 0              | 0              |
| <b>Total net sales of commodities and materials</b>                  | <b>299 271</b> | <b>375 601</b> |
| - of which: from related entities                                    | 33 223         | 22 886         |

**Note 21a**

| <b>Costs by category</b>  | <b>2023</b>      | <b>2022</b>      |
|---|------------------|------------------|
| a) amortization   | 97 637           | 96 610           |
| b) material and energy consumption  | 1 838 170        | 2 247 467        |
| c) third party services   | 157 010          | 145 862          |
| d) taxes and charges  | 10 360           | 9 227            |
| e) wages and salaries   | 264 491          | 242 186          |
| f) social insurance and other benefits  | 86 686           | 79 814           |
| g) other costs by category (of which)   | 13 472           | 14 238           |
| - advertising and entertainment costs   | 1 327            | 2 911            |
| - business travel   | 350              | 421              |
| - property insurance  | 6 044            | 5 656            |
| - contributions to the State Fund for Rehabilitation of the Disabled                          | 5 148            | 4 662            |
| - other   | 603              | 588              |
| Total costs by type   | 2 467 826        | 2 835 404        |
| Change in the balance of inventory, products and prepayments                                  | -24 622          | 26 778           |
| Manufacturing costs of products for own consumption of the entity (negative value), of which: | -67 026          | -12 004          |
| - reclassification of unused production capacity  | -54 750          | 0                |
| Cost of sales (negative value)  | -13 765          | -17 226          |
| General management and administration costs (negative value)                                  | -10 812          | -9 464           |
| <b>Manufacturing costs of products sold</b>   | <b>2 351 601</b> | <b>2 823 488</b> |

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**Note 22a**

| <b>Other operating income</b>  | <b>2023</b>    | <b>2022</b> |
|--|----------------|-------------|
| a) dissolved provisions (of which)                                       | 1 464          | 0           |
| - provision for restructuring costs                                      | 1 302          | 0           |
| - provision for warranties extended                                      | 162            | 0           |
| b) other, of which:  | 110 447        | 685         |
| - due compensation related to property insurance                         | 108 700        | 0           |
| - refunded costs of dispute proceedings                                  | 3              | 72          |
| - gain on the disposal of non-financial fixed assets                     | 531            | 429         |
| - compensation for bad quality of raw materials                          | 135            | 0           |
| - revenue from the sale of fire scrap                                    | 916            | 0           |
| - received compensations from Social Security Institution and Tax Office | 109            | 72          |
| - other operating income   | 53             | 112         |
| <b>Total other operating income</b>                                      | <b>111 911</b> | <b>685</b>  |

**Note 23a**

| <b>Other operating expenses</b>                    | <b>2023</b>    | <b>2022</b>  |
|--|----------------|--------------|
| a) set up provisions (of which)                    | 5 295          | 714          |
| - restructuring expenses                           | 5 295          | 714          |
| b) other, of which:                                | 105 345        | 1 025        |
| - fire related costs, of which:                    | 103 562        | 0            |
| - costs of unused production capacity              | 54 750         | 0            |
| - liquidation of fixed assets                      | 29 854         | 0            |
| - costs related to fire damage restoration         | 18 958         | 0            |
| - expenses related to dispute procedure            | 44             | 67           |
| - scrapping of products and materials              | 403            | 425          |
| - donations and contributions to the organizations | 227            | 193          |
| - liquidation of fixed assets                      | 935            | 246          |
| - other operating expenses                         | 174            | 94           |
| <b>Total other operating expenses</b>              | <b>110 640</b> | <b>1 739</b> |

**Note 23b**

Revaluation of non-financial assets includes:

- write-down release in the amount of PLN 52 thousand concerning overdue trade receivables,
- PLN 17 thousand write-off on non-current stocks of materials and products subject to prudent valuation.

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**Note 24a**

| <b>Financial income from dividend and shares in profits</b>       | <b>2023</b> | <b>2022</b> |
|---|-------------|-------------|
| a) from other entities, of which:                                 | 0           | 59          |
| - from other entities   | 0           | 59          |
| <b>Total financial income from dividend and shares in profits</b> | <b>0</b>    | <b>59</b>   |

**Note 24b**

| <b>Financial gains related to interest income</b>       | <b>2023</b>   | <b>2022</b>   |
|---|---------------|---------------|
| a) loans extended                                       | 35 907        | 29 656        |
| - from related entities, of which:                      | 35 907        | 29 656        |
| - from parent entity                                    | 35 907        | 29 656        |
| - from other entities                                   | 0             | 0             |
| b) other interests                                      | 5 771         | 2 483         |
| - from non-related entities                             | 5 771         | 2 483         |
| - from other entities                                   | 5 771         | 2 483         |
| <b>Total financial gains related to interest income</b> | <b>41 678</b> | <b>32 139</b> |

**Note 25a**

| <b>Financial costs related to interest expense</b>       | <b>2023</b>  | <b>2022</b>  |
|--|--------------|--------------|
| a) on credits and loans                                  | 12           | 7            |
| - for non-related entities, of which:                    | 12           | 7            |
| - for other entities                                     | 12           | 7            |
| b) other interest expenses                               | 3 637        | 5 078        |
| - for non-related entities, of which:                    | 3 637        | 5 078        |
| - for other entities                                     | 3 637        | 5 078        |
| <b>Total financial costs related to interest expense</b> | <b>3 649</b> | <b>5 085</b> |

**Note 25b**

| <b>Other financial expenses</b>       | <b>2023</b>  | <b>2022</b>   |
|---------------------------------------|--------------|---------------|
| a) foreign exchange losses, of which: | 7 504        | 14 074        |
| - realised                            | 9 264        | 19 154        |
| - non-realised                        | -1 760       | -5 080        |
| <b>Total other financial expenses</b> | <b>7 504</b> | <b>14 074</b> |

**Note 26a**

TC Dębica S.A. does not draw up consolidated financial statements and does not have any subsidiaries, joint owned subsidiaries or associated entities.

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### Note 27a

| Current income tax  | 2023          | 2022          |
|---|---------------|---------------|
| 1. Gross profit/loss  | 352 718       | 91 610        |
| 2. Differences between gross profit (loss) and income tax base (by title)   | -52 021       | -15 470       |
| Non-taxable income in the current year  | 0             | 27            |
| A. Permanent differences  | 7 100         | 8 457         |
| Non-deductible costs and losses, including  | 7 100         | 8 457         |
| receivables written off as irrecoverable (VAT amount)   | 280           | 720           |
| interest on late payments - receivables of the budget   | 33            | 1 485         |
| payments to State Fund for the Rehabilitation of the Disabled   | 5 235         | 4 673         |
| expenses, subject to point 30, for the costs of using passenger cars (for the purposes of business activities) that are not components of the taxpayer's property | 165           | 187           |
| compensation for accidents at work and occupational diseases  | 55            | 80            |
| contributions to organizations to which the taxpayer's membership is not compulsory   | 2             | 27            |
| donations and offerings of any kind, except as provided for by law  | 118           | 250           |
| representation costs, in particular incurred for catering services, purchase of food and beverages, including alcoholic beverages                                 | 121           | 54            |
| VAT not recovered on export consignments and non-confirmed correction invoices  | 43            | 24            |
| costs of general liability policies which are not CIT pursuant to Article 15 par.1 of the CIT Act   | 665           | 701           |
| additional contribution to the Company Social Benefits Fund Article Article 16 par. 1 point 9   | 45            | 0             |
| other causes  | 338           | 256           |
| B. Temporary differences  | 59 121        | 23 900        |
| Positive, of which:   | 79 098        | 28 988        |
| difference between accounting and tax treatment of depreciation   | -33 151       | 26 953        |
| interest charged to and not received from the contractors including interests on extended loans (credits)   | -65           | 2 309         |
| prepayments   | 948           | -135          |
| due uncollected property insurance compensation   | 108 700       | 0             |
| other causes  | 2 666         | -139          |
| Negative, of which  | -19 977       | -5 088        |
| costs of unpaid, unfinished or not made available payments, benefits and other receivables due to the titles specified in art. 12                                 | -3 535        | 2 610         |
| revaluation write-offs  | 2 264         | 887           |
| accrued expenses and provisions for liabilities   | -17 950       | -8 592        |
| other causes (total of items, where each valued at below PLN 20 thousand)   | -756          | 7             |
| 3. Income tax base (before deductions)  | 300 697       | 76 140        |
| 4. Income covered by the special economic zone permit   | 0             | 0             |
| 5. Income tax base (after deductions)   | 300 697       | 76 140        |
| <b>6. Income tax at 19 %</b>  | <b>57 132</b> | <b>14 467</b> |
| 7. Taxable income in the current year relating to previous years, including   | 0             | 27            |
| adjustment of income on transactions with related entities  | 0             | 0             |
| other   | 0             | 27            |

## Tire Company Dębica S.A.

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| Current income tax – cont.  | 2023          | 2022          |
|---|---------------|---------------|
| <b>8. Income tax at 19% relating to income from previous years</b>  | <b>0</b>      | <b>5</b>      |
| <b>9. Total current portion of income tax recognized (reported) in the tax return for the period, including</b> | <b>57 132</b> | <b>14 472</b> |
| - that posted into the Profit and Loss Account  | 57 132        | 14 472        |

### Note 27b

| Deferred income tax   | 2023          | 2022         |
|---|---------------|--------------|
| - decrease (increase) due to the occurrence and reversal of temporary differences | 11 233        | 4 541        |
| <b>Total deferred income tax</b>  | <b>11 233</b> | <b>4 541</b> |

### Note 28a

Distribution of net profit for 2022:

dividend to shareholders: PLN 54,521 thousand, which was paid on December 19, 2023

increase of reserve capital: PLN 18,076 thousand

Total net profit: PLN 72,597 thousand

The proposal to allocate net profit for 2023 in the amount of PLN 284,353 thousand will be presented by the Management Board at the Annual General Meeting of Shareholders to be held in accordance with Article 395 of the Commercial Companies Code.

### Note 29a

For the calculation of earnings per share, the net profit for 2023 was assumed and divided by the number of shares.

The Company does not plan any new issues of shares, nor has it issued bonds convertible into shares, and there have been no other events increasing the expected number of shares or changing the amount of profit.

### 2.3. EXPLANATORY NOTES TO CASH FLOW STATEMENT

I. Cash assets – see Note 8a point b).

Short-term debt securities for the purposes of cash flows are included in the investment activities, and overdraft facilities are included in financial activities rather than in the cash assets line.

| Period   | 31.12.2023 | 31.12.2022 |
|--|------------|------------|
| 1. Cash and cash equivalents according to item 3.1.b of assets, including: | 179 725    | 66 987     |
| - cash at bank   | 179 720    | 66 980     |
| - cash in hand   | 5          | 7          |
| 2. Adjustment of balance sheet valuation of foreign currencies             | 24         | -4         |
| 3. Cash assets for the Cash Flow Statement                                 | 179 701    | 66 991     |

II. Discrepancies between balance sheet changes in the balance of liabilities, and changes in those items shown in the cash flow statement:

| Period   | 31.12.2023 | 31.12.2022 |
|--|------------|------------|
| balance sheet change   | -34 011    | 188 563    |
| Adjustments:   |            |            |
| change in liabilities triggered by fixed assets under construction | -3 509     | -8 907     |
| change in short-term financial lease liabilities                   | -1 458     | -582       |
| change in provision for CO <sub>2</sub> emission rights            | 6 985      | 0          |
| Total adjustments  | 2 018      | -9 489     |
| In the Cash Flow Statement   | -31 993    | 179 074    |



### **3. ADDITIONAL EXPLANATORY NOTES**

#### **1. Inventory revaluation write-offs**

In the accounting year 2023, the Company did not make any fixed assets revaluation write-offs.

As at 31.12.2023, the balance of impairment losses on fixed assets amounted to PLN 192 thousand.

As at 31.12.2023, the balance of inventory write-downs amounted to PLN 368 thousand, including:

- for products: PLN 0 thousand,
- materials: PLN 368 thousand.

The balance of inventory write-downs in 2022 amounted to PLN 512 thousand.

#### **2. Information about financial instruments with embedded derivatives held by the Company**

The Company does not hold any financial instruments with embedded derivatives.

#### **3. Information on the number and value of securities or rights held, including share certificates, convertible debt securities, warrants and options, with the specification of underlying rights**

At the balance sheet date the Company did not hold such assets.

#### **4. Assets that are not financial instruments measured at value fair**

The Company does not measure non-financial assets at fair value.

#### **5. Contingent liabilities including guarantees and sureties**

In the 2023 financial year the Company did not extend any guarantees or sureties. There are no other material contingent liabilities except for those described below.

- Contingent liability under the bill of exchange discount program

Based on agreements concluded by and between Coface Poland Factoring Sp. z o.o. and Tire Company Dębica SA, the value of discounted bills of exchange at the balancing date was PLN 59,879 thousand.

According to the Report received by the Company from Coface Poland Factoring Sp. z o.o., as of the date of financial statements, the outstanding amount of bills of exchange not repaid by customers equals PLN 0 thousand.

#### **6. Liabilities vis-a-vis State budget or local government units in relation to obtained ownership rights to buildings and structures**

The Company does not have any liabilities vis-a-vis the state budget or the local government units in relation to the ownership titles to buildings and structures.

**7. Discontinued activities**

In the accounting year 2023, no business activity was liquidated or discontinued in full or in part, hence there were no costs of discontinued activities.

**8. Cost of manufacturing fixed assets under construction, including interest and FX gains/losses, which were added to the cost of manufacturing fixed assets in the accounting year and the cost of manufacturing fixed assets for own consumption**

The cost of construction in progress in 2023 amounted to PLN 151,946 thousand (in 2022 - PLN 130,801 thousand); including exchange differences increasing the cost of production amounted to PLN 48 thousand (in 2022 - PLN 423 thousand). Interest increasing the cost of production did not occur.

The cost of fixed assets for own use amounted to PLN 54,767 thousand (in 2022: PLN 12,004 thousand).

**9. Interest and FX gains/losses increasing the acquisition price of commodities or the cost of manufacturing products during the accounting year**

None.

**10. Capital expenditures incurred and planned within the nearest 12 months in the period from the balance sheet date, including expenditures on non-financial fixed assets; incurred and planned environmental protection expenditures**

In 2023, capital expenditures totalled PLN 142,382 thousand, including PLN 0 thousand on environmental protection. The planned capital expenditures in 2024 amount to PLN 262,929 thousand (for environmental protection PLN 0 thousand).

**11. Information about extraordinary or incidental revenues or costs**

None.

**12.1. Transactions with related parties that were concluded on conditions other than at arms-length**

During the financial year covered by the financial statements, the Company did not enter into any significant transactions with related parties other than at arms-length.

**12.2. Figures concerning subsidiaries**

The Company does not have any subsidiaries.

## Tire Company Dębica S.A.

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### 13. Information about the nature and business purpose of agreements entered into by the issuer not included in the balance sheet to the extent necessary to evaluate their impact on the assets, financial position and the net financial income of the Company

In the year covered by these financial statements, the Company was not a party to any material agreements not included in the balance sheet or not disclosed in off-balance items.

### 14. Joint ventures

None.

### 15. Headcount

The average employment in occupational groups is as follows:

| Average employment   | 2022  | 2023  | Women | Men   |
|----------------------|-------|-------|-------|-------|
| Total                | 3 079 | 3 007 | 503   | 2 504 |
| including:           |       |       |       |       |
| white-collar workers | 286   | 279   | 107   | 172   |
| blue-collar workers  | 2 793 | 2 728 | 396   | 2 332 |

### 16. Remuneration of management and supervisory personnel

Remuneration paid and accrued (including profit sharing) to the Management Board and Supervisory Board for 2023 amounted to PLN 4,200.4 thousand, whereas for 2022 amounted to PLN 4,420.6 thousand:

#### Remuneration of Management Board members (in '000 PLN):

|   | 2023               | 2022               |
|---|--------------------|--------------------|
| 1. Leszek Szafran                         | PLN 1,419.9        | PLN 1,434.1        |
| 2. Ireneusz Maksymiuk                     | PLN 1,022.2        | PLN 1,054.3        |
| 3. Michał Mędrak <sup>1)</sup>            | -                  | PLN 184.0          |
| 4. Mirosław Maziarka <sup>2)</sup>        | -                  | PLN 560.0          |
| 5. Marko Nahtigal <sup>3)</sup>           | PLN 1,067.0        | PLN 553.9          |
| 6. Anna Winiarska-Miśkowiec <sup>4)</sup> | PLN 41.3           | PLN 33.7           |
| <b>Razem:</b>                             | <b>PLN 3,550.4</b> | <b>PLN 3,820.0</b> |

<sup>1)</sup> Remuneration for the period of performing the function of a member of the Management Board from 1 January to 28 February 2022

<sup>2)</sup> Costs incurred by the Company based on invoices received for compensation in connection with the employment by Goodyear SA Luxembourg for the period of performing the function of a member of the Management Board from 1 January to 29 April 2022

<sup>3)</sup> Costs incurred by the Company based on invoices received for compensation in connection with the employment by Goodyear Slovenija d.o.o. for the period of performing the function of a member of the Management Board from 29 April to 31 December 2022 and from 1 January to 31 December 2023

<sup>4)</sup> Costs incurred by the Company based on invoices received for compensation in connection with the employment by Goodyear Polska Sp. z o.o. for the period of performing the function of a member of the Management Board from 3 March to 31 December 2022 and from 1 January to 31 December 2023

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|                        | 2023             | 2022             |
|------------------------|------------------|------------------|
| 1. Andrzej Kowal       | PLN 210.6        | PLN 194.2        |
| 2. Agnieszka Modras    | PLN 174.2        | PLN 155.3        |
| 3. Krzysztof Pieniążek | PLN 111.7        | -                |
| 4. Janusz Raś          | PLN 153.5        | PLN 109.4        |
| 5. Marek Piękoś        | -                | PLN 141.7        |
| <b>Razem:</b>          | <b>PLN 650.0</b> | <b>PLN 600.6</b> |

Other Supervisory Board members did not receive remuneration.

### **17. Information about any liabilities under old-age pensions and similar benefits payable to former managerial or supervisory personnel or former members of the administrative bodies, as well as liabilities related to such pensions, indicating the total amount for each category of a given body**

None.

### **18. Advances, credits, loans, guarantees, sureties for the management and supervisory personnel**

In the accounting period there were no settlements of accounts with the Management and Supervisory Board members in relation to loans and loan equivalents.

The Company did not enter into transactions with Management and Supervisory Board members, nor with persons having ties with them understood as spouses, relatives or direct affinity up to the second degree or having ties in relation to guardianship, adoption or custody with the management members or persons sitting on the supervisory bodies of the company or in the companies where they have significant stakes, shareholding or are partners.

### **19. Financial statement audit fee**

On 09.11.2023, an Annex No. 5 to the agreement No. S419/UB7/2021 of 12.08.2021 was concluded with PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. with its registered office in Warsaw, ul. Polna 11, for the audit and review of the financial statements for 2023.

Pursuant to the agreement, the fee due for the audit and review of the financial statements for 2023 is PLN 355,550 (2022: PLN 317,000).

In addition, in 2023, the statutory auditor provided the service of evaluating the Report of the Supervisory Board on the remuneration of the members of the Management Board and members of the Supervisory Board for the year 2022, based on the engagement letter dated January 30, 2023. The remuneration for the service amounted to PLN 23,000.

The Management Board informs that, based on the statement of the Supervisory Board, the entity authorized to audit financial statements, auditing the annual financial statements of the Company for 2023 was selected in accordance with the provisions of law and that this entity and the auditors performing this audit met the conditions for issuing an impartial and independent audit report, in accordance with the provisions of national law.

**20. Information about material events that occurred in the previous years**

None.

**21. Other information that may significantly affect the assessment of the property, financial position and financial result**

**21.1. Impact of the political and economic situation in Ukraine**

Since the beginning of the war in Ukraine, the Company has been monitoring the impact of the war on its operations. The Company does not have manufacturing facilities or offices in Ukraine, Russia or Belarus. It also does not sell its products directly in these countries.

While some of the raw materials used in production at the Dębica plant are sourced from conflict-affected areas, the Company cooperates on an ongoing basis with Goodyear's purchasing centers to reduce risks associated with the unavailability of raw materials and to provide alternative sources of supply.

The Company is continually evaluating the potential impact of the political and economic situation in Ukraine that may affect its business operations. As events unfold, management will take appropriate steps to minimize the negative impact on the Company's business. As at the date of publication of the Annual Financial Statements of 2023, in the opinion of the Management Board, there is no threat to the liquidity and going concern of the Company resulting from the war in Ukraine.

**21.2. Impact of the economic situation in Europe on the industry, the Company's business partners and consumer behaviors**

In current reports No. 4 of April 3, 2023 and No. 5 of May 8, 2023, the Company announced a reduction in tire production in 2023 by 6.76% for passenger car tires and 4.14% for truck tires compared to the Company's production plans for 2023. The decision of the Company's Management Board was made in connection with a further decline in demand observed on the European market, including the Polish market, and as a result of obtaining information from the Company's key customer, Goodyear, about reduction of orders for tires manufactured by the Company in the remainder of the year. This reduction was continued until the fire occurrence in the production hall.

**21.3. Fire in the production hall**

In current reports No. 24/2023, 25/2023 and 30/2023, the Company's Management Board reported on the outbreak of fire on 20 August 2023 at the Company's factory in Dębica and its consequences.

The preliminary value of property damage caused by the fire is estimated to be between PLN 230 million and PLN 270 million. This estimate includes the cost of removing the effects of the fire, the value of the building renovation, the cost of repairs and the replacement value of equipment and the loss of inventories. The costs are incurred progressively from 21 August 2023.

As at the balance sheet date of 31.12.2023, the incurred costs related to the removal of the effects of the fire amounted to PLN 103,562 thousand, including the costs of unused capacity of PLN 54,750 thousand.

The Company is currently operating at approximately 70% of its pre-fire capacity, and the expected date of return to the original pre-fire capacity is no earlier than Q4 2024 due to the time required for the purchase and delivery of new production machinery.

## Tire Company Dębica S.A.

Financial Statement for the accounting year 2023

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The fire and its aftermath are covered by insurance, the scope of which includes property damage insurance, fire clean-up and eligible business interruption costs. The first advance payment of compensation was received in February 2024.

No Employees were injured as a result of the fire.

In the opinion of the Board of Directors, the scale of the fire does not affect the business continuity risk.

### 1. Ensuring business continuity:

#### a) Business Continuity Team

The Company has established a Business Continuity Team consisting of representatives of key functions, which develops activities at regular meetings with the aim to ensure continuity of the Company's business based on the existing corporate procedures. The team regularly reports its activities to the Company's Management Board.

#### b) Tire production constraints

During 2023 the Company did not experience production disruptions resulting from disrupted global supply chains. The reduction in production was based on the market factors described in section 21.2 above and the extraordinary event described in section 21.3 above.

#### c) Monitoring market conditions.

The Company monitors the market situation and order levels on an ongoing basis to adapt its operations to the rapidly changing market situation.

#### d) Monitoring the supply chain for materials and services.

The Company monitors the status of the supply of strategic raw materials and other materials and services necessary to ensure continuity of production.

### 2. Securing of the Company's long-term financial stability:

#### a) Protection of financial liquidity

The Management Board monitors the Company's financial liquidity on an on-going basis. The Company's responsible financial policy to date has a positive impact on the Company's present cash position, which in the current situation is one of the key drivers of financial security in the long run. The Company smoothly fulfills all commercial obligations towards contractors, obligations towards employees and all public and legal obligations.

#### b) Monitoring of loans extended

As at the balance sheet date, December 31, 2023, loans extended to Goodyear amounted to PLN 700 million, however, the Company recalls that under the loan agreements Goodyear SA provides a guarantee of immediate repayment before maturity, if requested by the company - the capital is therefore not "frozen" and can be drawn upon at any time, if needed, without interest loss.

#### c) Payment of receivables from the customers

The Company controls on an on-going basis the balance of receivables payments made by the Company's customers and will take appropriate steps in case of information about financial dire straits of its business partners.

#### d) Cost optimization

The Company analyses its planned business activities on an on-going basis and adjusts their completion dates to the current market environment.

### 3. Continuation of sales and distribution activities

The Company continues its sales and distribution activities. In the opinion of the Management Board, the data for 2023 should not be treated as a source of indications or forecasts regarding the Company's results in subsequent periods due to dynamically changing business circumstances, including: increased level of market uncertainty, and their impact on the economy, industry, business partners of the Company and consumer behavior, as well as the disruption in the supply chain caused by the continued war in Ukraine, and the costs of dealing with the consequences of the fire in the factory's production hall, which occurred in August 2023.

#### **21.4. Receipt of the auditor's report on the results of the audit of the special purpose auditor**

On 31 October 2023. The Company received the report on the results of the audit of the auditor for special matters, which was carried out by Moore Polska Audyt spółka z ograniczoną odpowiedzialnością, based in Warsaw, in accordance with Resolution No. 38 of the Annual General Meeting of 24 July 2023.

The conclusions of the audit confirm the proper conduct of the Company's affairs with regard to: (i) the management of the Company's liquidity, including the conclusion by the Company in 2018 - 2022 of loan agreements with related parties and their balances, (ii) the terms of the Company's sales of manufactured tires to related parties, including the margin obtained by the Company from the sale of manufactured tires to related parties and its market nature.

In particular, the conclusions of the study confirm that:

- Financial liquidity indicates that the Company is fully capable of settling its obligations and ensuring financial security in the long term,
- The Company's lending to related parties was on terms that were no less favourable than the Company's adopted benchmarks and other opportunities to invest funds in a manner consistent with the adopted Financial Policy, and was more favourable after raising the margin above WIBOR1Y to 0.45% than that resulting from the adopted Financial Policy,
- Sales prices are determined on the basis of the Goodyear Group's global transfer pricing policy. In accordance with this policy, the Company uses the cost-plus method to determine the price and the cost base is determined in accordance with the Group's policy,
- The existing relationship between the Company and the Goodyear Group did not lead to any loss of marketability in the sale of tires manufactured by the Company to the Goodyear Group.

The full text of the auditor's report on the results of the audit of the special purpose auditor is attached to the Company's report No. 32/2023 dated 31 October 2023.

#### **21.5. Consideration of climate change**

The Company's management is aware of the issues related to the impact of climate change. However, this issue does not currently have a material impact on the financial statements and its future effects on

the Company's operations and business plans are difficult to predict. The Board of Directors will continue to monitor issues related to the impact of climate change on its business and take appropriate action depending on developments.

## **21.6 Financial risk management**

### **Credit risk**

Credit risk implied by the type and scope of business activity may concern an increase in the level of uncollectible receivables resulting from the necessary (due to market requirements) crediting of recipients. The Company limits its exposure to credit risk related to trade receivables by assessing and monitoring the financial condition of contractors, setting credit limits and using receivable security. Moreover, since July 2015, the Company has been insuring receivables. The company focuses on securing payments, both on the formal and legal level (i.e. bill of exchange, mortgage) as well as on the substantive level (i.e. improving delivery logistics, deepening the analysis of the financial situation of recipients, etc.).

An integral element of the credit risk management process implemented in the Company is ongoing monitoring of receivables and an internal reporting system. As a result, good management of this area allows you to generate added value. Despite the concentration of risk in this respect, it is estimated that due to the available historical data and many years of experience in cooperation with clients, as well as the collateral used, there is a low degree of credit risk.

In the opinion of the Company's Management Board, the level of financial risk related to debt collection is low.

### **Liquidity risk**

Due to the fact that the Company operates within an international capital group and is characterized by relatively high profitability, in the opinion of the Management Board there is no significant risk of loss of liquidity. Due to the above, the Company does not use instruments to protect against loss of liquidity. The company finances its operations mainly from internally generated funds.

### **Exchange rate risk**

The Company is dependent on fluctuations in foreign exchange rates in connection with the export of finished products and the import of raw materials, but in accordance with the long-term financial strategy of the Company, it does not use instruments to hedge currency risk, using natural hedging. Most of the proceeds from exports are used to purchase imported materials. In the long term, this policy produces positive effects.

### **Interest rate risk**

In 2023, there were overdraft agreements in force for a total amount of PLN 145 million. The utilization of these credits as of December 31, 2023 was zero. The company maintained liquidity and stability of financing. The Company did not incur significant interest costs, therefore - in the Management Board's opinion - the risk related to interest rate volatility is not significant for the Company.

### **Market risk**

The company manages market risk by monitoring the market and macroeconomic situation on an ongoing basis. The Management Board makes strategic business decisions related to maintaining the Company's market position and appropriately responding to the dynamically changing market situation.



## **Tire Company Dębica S.A.**

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In 2023, the Company continued its business activities, allowing it to maintain a competitive market position. Moreover, the Company maintained high financial liquidity combined with a low level of debt. During the financial year, the Company maintained a safe debt level and diversified the risk related to debt and operating activities by cooperating with several banks.

As at the date of preparation of this report, the Company's Management Board does not expect any significant disruptions in cash flows or loss of financial liquidity, however, due to the dynamic and unpredictable situation related, in particular, to the geopolitical situation, actions are taken to minimize such risk, including: incl. close cooperation with business partners, optimizing the Company's costs and preparing revised business plans.

### **22. Information about material events which occurred after the balance sheet date, but were not included in the financial statements**

None.

### **23. Legal predecessor**

Tire Company "Debica" Spółka Akcyjna ("Company") was established on 26 April 1991 as a result of transformation of the state enterprise called "Stomil" Car Tire Works in Debica.

### **24. Financial statement adjusted for inflation**

When the financial statement was being drawn up a principle of historical cost was assumed, and consequently the inflation impact is not considered.

The fixed assets may be subject to periodic revaluation by virtue of separate legislation in compliance with conversion indices set by the Polish Central Statistical Office (most recent official name: Statistics Poland).

### **25. Differences between data disclosed in the report and previously published reports**

None.

### **26. Changes in the accounting principles used and the method for drawing up the financial statement**

None.

### **27. Adjustments of fundamental errors**

None.

## Tire Company Dębica S.A.

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**28. Uncertainties regarding the possibility of the Company continuing as a going concern, description of such uncertainties and a statement confirming that there are no such uncertainties, as well as indication whether the financial statement contains adjustments related to it. Such information should also include a list of actions, undertaken or planned to be undertaken, aimed at eliminating such uncertainties**

None.

### 29. Financial statements for the period in which a merger took place

In the accounting year 2023 no merger took place to which the Company would be a party.

**30. If the equity method is not used in the financial statements for the valuation of shares in subsidiaries, the effects of its application and the impact on the net financial income should be presented**

The Company has no subordinated entities.

### 31. Consolidation of financial statements

The Company is not a controlling entity and does not draw up consolidated financial statements. The Company is a co-controlled entity in the Group where the consolidated financial statement is drawn up by The Goodyear Tire & Rubber Company with its registered office in Akron (the United States of North America).

**32. Name, address of the registered office of the Management Board or registered office of the entity and legal status of each of the entities of which the entity is a partner with unlimited financial liability**

None.

### 33. Other information - extended loans

In 2023, the Company extended five (5) short-term loans to Goodyear S.A. Luxembourg.

Detailed information about loans extended to Goodyear S.A. is provided in table below:

| Agreement date                                     | 10.12.2021      | 24.06.2022 | 23.09.2022 | 09.12.2022 | 20.12.2022 | 20.12.2022 |
|--|-----------------|------------|------------|------------|------------|------------|
| maturity date (loan repayment)                     | 09.12.2022      | 23.06.2023 | 22.09.2023 | 08.12.2023 | 19.12.2023 | 02.01.2023 |
| contractual compensation                           | WIBOR1Y + 0,45% |            |            |            |            |            |
| loan amount ('000 PLN)                             | 105 000         | 275 000    | 70 000     | 105 000    | 100 000    | 50 000     |
| Interest received in 2023 ('000 PLN)               | 186             | 9 383      | 4 238      | 7 405      | 6 809      | 144        |
| principal of the loans as of 31.12.2023 ('000 PLN) | 0               | 0          | 0          | 0          | 0          | 0          |
| interest accrued as of 31.12.2023 ('000 PLN)       | 0               | 0          | 0          | 144        | 308        | 0          |

## Tire Company Dębica S.A.

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| Agreement date                                     | 23.06.2023      | 20.09.2023 | 22.09.2023 | 08.12.2023 | 19.12.2023 | Total   |
|--|-----------------|------------|------------|------------|------------|---------|
| maturity date (loan repayment)                     | 21.06.2024      | 20.09.2024 | 01.04.2024 | 01.03.2024 | 19.12.2024 |         |
| contractual compensation                           | WIBOR1Y + 0,45% |            |            |            |            |         |
| loan amount ('000 PLN)                             | 175 000         | 150 000    | 70 000     | 105 000    | 200 000    |         |
| Interest received in 2023 ('000 PLN)               | 5 186           | 1 819      | 822        | 0          | 0          | 35 992  |
| principal of the loans as of 31.12.2023 ('000 PLN) | 175 000         | 150 000    | 70 000     | 105 000    | 200 000    | 700 000 |
| interest accrued as of 31.12.2023 ('000 PLN)       | 927             | 795        | 371        | 413        | 444        | 3 402   |

The interest payment date falls due on the 14th day of the month following the month to which the interest refers to.

### 34. Cash accumulated in the VAT account

The amount of cash accumulated in the VAT account as at December 31, 2023 totalled PLN 2,062 thousand (in 2022 this amount totalled PLN 3,705 thousand).

### 35. Information on transactions with related entities

| Transaction  | Company name                                  | 2023      | 2022      |
|--|---|-----------|-----------|
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear Dalian Tire Company Ltd.             | 8 284     | 8 962     |
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear Malaysia Berhad                      | 17        | 8         |
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear Germany GmbH                         | 21 057    | 17 464    |
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear Operations S.A.                      | 2 602 996 | 2 838 772 |
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear S.A.                                 | 1 106     | 170       |
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear Slovenija d.o.o.                     | 4 236     | 3 037     |
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear France                               | 728       | 651       |
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear Amiens                               | 3 326     | 2 630     |
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear Lastikleri T.A.S.                    | 8 529     | 16 397    |
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear South Africa LTD                     | 500       | 650       |
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear do Brasil Productos de Borracha LTDA | 1 570     | 1 034     |
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear De Colombia S.A                      | 404       | 332       |
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear Canada INC                           | 2 980     | 3 166     |
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear SLP S de RL de CV                    | 77        | 224       |

## Tire Company Debica S.A.

Financial Statement for the accounting year 2023

Data in thousands of PLN

| Transaction – cont.  | Company name                         | 2023    | 2022    |
|--|--------------------------------------|---------|---------|
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear Tire & Rubber Company       | 13 367  | 10 658  |
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear India Limited               | 6       | 3       |
| Sale of finished products, goods, raw materials and semi-finished products | Cooper Tire & Rubber d.o.o.          | 23 318  | 126     |
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear (Thailand) Public Co., Ltd. | 1 714   | 8       |
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear de Chile SAIC               | 99      | 13      |
| Sale of finished products, goods, raw materials and semi-finished products | Goodyear Nederland BV                | 13      | 0       |
| Sale of intra-group services   | Goodyear Germany GmbH                | 102     | 85      |
| Sale of intra-group services   | Goodyear Hungary Kft.                | 4       | 3       |
| Sale of intra-group services   | Goodyear Czech s.r.o.                | 42      | 36      |
| Sale of intra-group services   | Goodyear Tyres Netherlands           | 263     | 222     |
| Sale of intra-group services   | Goodyear Belgium                     | 46      | 39      |
| Sale of intra-group services   | Goodyear Operations S.A.             | 25 789  | 14 755  |
| Sale of intra-group services   | Goodyear Romania S.R.L.              | 17      | 15      |
| Sale of intra-group services   | Goodyear Slovakia s.r.o.             | 21      | 18      |
| Sale of intra-group services   | Goodyear Tyres UK Limited            | 10      | 8       |
| Sale of intra-group services   | Goodyear Polska Sp. z o.o.           | 1 765   | 1 749   |
| Sale of intra-group services   | Goodyear Amiens                      | 81      | 38      |
| Sale of intra-group services   | Goodyear S.A.                        | 0       | 259     |
| Sale of intra-group services   | Goodyear Lastikleri T.A.S.           | 0       | 74      |
| Sale of intra-group services   | Goodyear Tire & Rubber Company       | 49      | 0       |
| Purchase of goods, raw materials, semi-finished products                   | Goodyear Orient Co PTE LTD           | 309 247 | 401 523 |
| Purchase of goods, raw materials, semi-finished products                   | Goodyear Germany GmbH                | 3       | 31      |
| Purchase of goods, raw materials, semi-finished products                   | Goodyear Operations S.A.             | 321 035 | 437 851 |
| Purchase of goods, raw materials, semi-finished products                   | Goodyear S.A.                        | 9 533   | 5 398   |
| Purchase of goods, raw materials, semi-finished products                   | Goodyear Lastikleri T.A.S.           | 34      | 0       |
| Purchase of goods, raw materials, semi-finished products                   | Goodyear Tire & Rubber Company       | 28 741  | 46 521  |
| Purchase of goods, raw materials, semi-finished products                   | Goodyear Slovenija d.o.o.            | 406     | 81      |
| Purchase of goods, raw materials, semi-finished products                   | Goodyear South Africa LTD            | 297     | 59      |
| Purchase of goods, raw materials, semi-finished products                   | Cooper Tire and Rubber Company       | 0       | 61      |
| Purchase of goods, raw materials, semi-finished products                   | Goodyear Amiens                      | 45      | 1       |
| Purchase of goods, raw materials, semi-finished products                   | Goodyear Serbia d.o.o.               | 780     | 0       |

## Tire Company Dębica S.A.

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| Transaction – cont.                | Company name                   | 2023   | 2022   |
|------------------------------------|--------------------------------|--------|--------|
| Purchase of intra-group services   | Goodyear Operations S.A.       | 14 009 | 11 680 |
| Purchase of intra-group services   | Goodyear S.A.                  | 2 693  | 1 361  |
| Purchase of intra-group services   | Goodyear Slovenija d.o.o.      | 1 254  | 541    |
| Purchase of intra-group services   | Goodyear Polska Sp. z o.o.     | 9 393  | 8 959  |
| Purchase of intra-group services   | Goodyear Lastikleri T.A.S.     | 0      | 11     |
| Purchase of intra-group services   | Goodyear Tire & Rubber Company | 2 284  | 1 307  |
| Purchase of intra-group services   | Goodyear Germany GmbH          | 0      | 3      |
| Purchase of intra-group services   | Goodyear Middle East FZE       | 17     | 33     |
| Purchase of intra-group services   | PT Goodyear Indonesia Tbk.     | 17     | 20     |
| Purchase of tangible fixed assets  | Goodyear Operations S.A.       | 2 961  | 2 732  |
| Purchase of tangible fixed assets  | Goodyear S.A.                  | 33 559 | 30 739 |
| Purchase of tangible fixed assets  | Goodyear Lastikleri T.A.S.     | 708    | 329    |
| Purchase of tangible fixed assets  | Goodyear Tire & Rubber Company | 7 101  | 9 809  |
| Sale of tangible fixed assets      | Goodyear Operations S.A.       | 5 218  | 2 614  |
| Sale of tangible fixed assets      | Goodyear Lastikleri T.A.S.     | 590    | 636    |
| Sale of tangible fixed assets      | Cooper Tire & Rubber d.o.o.    | 1 140  | 43     |
| Revenue from financial instruments | Goodyear S.A.                  | 35 907 | 29 656 |

### 36. Significant proceedings pending before the court in 2023:

On October 4, 2022 The Company has received a copy of the lawsuit filed by Lemuria Partners Sicav P.L.C. ("Lemuria") to repeal certain resolutions of the General Meeting adopted by the Annual General Meeting of the Company on June 30, 2022 (the "AGM"). The subject of the lawsuit filed by Lemuria is the repeal of the following resolutions of the AGM:

1. Resolution No. 7 of the Ordinary General Meeting on the distribution of profit,
2. Resolution No. 8 of the Ordinary General Meeting on acknowledgment of the performance of duties by the Member of the Company's Management Board in 2021,
3. Resolution No. 19 of the Annual General Meeting on acknowledgment of the performance of duties by a Member of the Supervisory Board of the Company in 2021.

The Management Board informs that the content of the challenged resolutions was published by the Company in the current report no. 15/2022 of June 30, 2022.

On September 13, 2023, the Regional Court in Rzeszów, VI Commercial Division issued a judgment of first instance dismissing in its entirety the action brought by Lemuria Partners Sicav P.L.C. The case is currently at the stage of appeal proceedings, and therefore it is not finally concluded.

**Tire Company Dębica S.A.**

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**Signatures of all Management Board Members of T.C. Dębica S.A.**

|                                 |   |       |
|---------------------------------|---|-------|
| <b>Ireneusz Maksymiuk</b>       | President of the Management Board,<br>Chief Financial Officer (CFO) | _____ |
| <b>Anna Winiarska-Miśkowiec</b> | A Management Board member,<br>Senior Legal Counsel                  | _____ |
| <b>Marko Nahtigal</b>           | A Management Board member,<br>Chief Production Officer (CPO)        | _____ |

**Signature of person who was entrusted with book keeping**

|                        |                      |       |
|------------------------|----------------------|-------|
| <b>Anna Bolanowska</b> | Financial Controller | _____ |
|------------------------|----------------------|-------|

**Date of report:** 24 April 2024