

**Tire Company Dębica S.A.**

Financial Statement for the accounting year 2020

**FINANCIAL STATEMENT  
OF  
TIRE COMPANY DĘBICA S.A.  
FOR 2020**



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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 2020, covering period from 1 January 2020 to 31 December 2020 and comparable financial data for 2019, covering period from 1 January 2019 to 31 December 2019.
- 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 was prepared in accordance with the Accounting Act of 29 September 1994 " (Journal of Laws of 2021 item 217, as amended) and pursuant to the Decree of the Council of Ministers of 19 February 2009 on Current and Periodic Information Provided by the Issuers of Securities (Journal of Laws No. 33, item 259) and the Ordinance of the Minister of Finance on



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François Colin de Verdière	a member of the Supervisory Board, a Deputy Chairman of the Supervisory Board
Łukasz Rędziniak	an Independent member of the Supervisory Board, the Secretary of the Supervisory Board
Andrzej Kowal	an Independent member of the Supervisory Board
Vincent Ganier	a Member of the Management Board
Lourens Roets	a Member of the Management Board
Michaël De Schrijver	a Member of the Management Board
Janusz Raś	a Member of the Management Board

### **Changes in the composition of management and supervisory bodies in the financial year:**

26 June 2020: The Company was informed about the resignation of Mr. Maciej Mataczyński from his position of a member of the Supervisory Board as of June 26, 2020. The rationale for resignation was not provided.

8 July 2020: The Supervisory Board of the Company adopted a resolution to appoint Mr. François Colin de Verdière to the Supervisory Board, pursuant to § 14 sec. 4 of the Company's Articles of Association and § 3 sec. 4 of the Regulations of the Supervisory Board. The resolution entered into force on the date of its adoption.

25 August 2020: The Ordinary General Meeting of the Company appointed members of the Supervisory Board of the Company for a new term of office, which began on 25 August 2020.

2 September 2020: At its first meeting, the Company's Supervisory Board of the Company was established with the following composition:

Jacek Pryczek - The Chairman of the Supervisory Board

François Colin de Verdière - Deputy Chairman of the Supervisory Board

Łukasz Antoni Rędziniak - An Independent member of the Supervisory Board, the Secretary of the Supervisory Board

Vincent Ganier - A Member of the Management Board

Andrzej Kowal - An Independent member of the Supervisory Board

Lourens Roets - A Member of the Management Board

Michaël De Schrijver - A Member of the Management Board

Janusz Raś - A Member of the Management Board

Pursuant to §14 of the Company Statutes the Company personnel, elected Mr. Janusz Raś during the elections of the Supervisory Board member of the Company for the term of office starting from 25 August 2020.

## **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.

### **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 recognised in respect of costs relating to future reporting periods.

Prepayments and deferred costs are recognised 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.

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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 include loss on the disposal of non-financial fixed assets, revaluation of tangible fixed assets and inventories, costs of non-utilized production capacity not recognised as costs of manufacturing product, receivables revaluation write-offs, compensations, penalties paid, donations made, penalty interest on taxes, social insurance and customs duties.

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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Fixed assets	785 344	800 066	170 179	187 875
Current assets	1 033 212	950 964	223 891	223 310
<b>Total assets</b>	<b>1 818 556</b>	<b>1 751 030</b>	<b>394 070</b>	<b>411 185</b>
Equity	1 169 711	1 157 634	253 469	271 841
Liabilities and provisions for liabilities	648 845	593 396	140 601	139 344
<b>Total liabilities</b>	<b>1 818 556</b>	<b>1 751 030</b>	<b>394 070</b>	<b>411 185</b>

Shareholders' Equity	PLN		EUR	
	2020	2019	2020	2019
<b>Shareholders' equity</b>	<b>1 169 711</b>	<b>1 157 634</b>	<b>253 469</b>	<b>271 841</b>
Share capital	110 422	110 422	23 928	25 930
<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)	4.95	8.17	1.11	1.90
Diluted earnings (loss) per ordinary share (in PLN/EUR)	4.95	8.17	1.11	1.90
Book value per share (in PLN/EUR)	84.74	83.87	18.36	19.69
Diluted book value per share (in PLN/EUR)	84.74	83.87	18.36	19.69
Declared or paid dividend per share (in PLN/EUR)	4.08	4.88	0.93	1.15

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Profit and Loss Account	PLN		EUR	
	2020	2019	2020	2019
<b>Net sales of products, merchandise and materials</b>	<b>1 815 175</b>	<b>2 056 055</b>	<b>405 698</b>	<b>477 952</b>
Cost of products, merchandise and materials sold	1 691 701	1 903 999	378 101	442 605
<b>Gross profit (loss) on sales</b>	<b>123 474</b>	<b>152 056</b>	<b>27 597</b>	<b>35 347</b>
Cost of sales	15 813	15 226	3 534	3 539
General and administrative (G&A) costs	8 835	8 036	1 975	1 868
<b>Profit (loss) on sales</b>	<b>98 826</b>	<b>128 794</b>	<b>22 088</b>	<b>29 940</b>
Other operating income	19 233	264	4 299	61
Other operating expenses	37 803	9 311	8 449	2 165
<b>Operating profit (loss)</b>	<b>80 256</b>	<b>119 747</b>	<b>17 938</b>	<b>27 836</b>
Financial revenues	4 934	6 426	1 103	1 494
Financial expenses	1 854	4 150	414	965
<b>Profit (loss) on business activity</b>	<b>83 336</b>	<b>122 023</b>	<b>18 627</b>	<b>28 365</b>
<b>Gross profit (loss)</b>	<b>83 336</b>	<b>122 023</b>	<b>18 627</b>	<b>28 365</b>
Income tax	14 944	9 284	3 340	2 158
<b>Net profit (loss)</b>	<b>68 392</b>	<b>112 739</b>	<b>15 287</b>	<b>26 207</b>

Cash Flow Statement	PLN		EUR	
	2020	2019	2020	2019
Operational cash flows, net	177 900	188 947	39 761	43 923
Investment activity cash flows, net	-112 442	-78 022	-25 131	-18 137
Financial activity cash flows, net	-60 192	-71 395	-13 453	-16 597
<b>Total cash flows, net</b>	<b>5 266</b>	<b>39 530</b>	<b>1 177</b>	<b>9 189</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. 2020 1 EUR = PLN 4.6148
  - 31 Dec. 2019 1 EUR = PLN 4.2585
- average exchange rate, calculated as the mean arithmetic value of exchange rates prevailing on the last day of each month:
  - in 2020 1 EUR = PLN 4.4742
  - In 2019 1 EUR = PLN 4.3018
- the highest and lowest exchange rate in the accounting period:
  - in 2020 1 EUR = PLN 4.6330 - the highest rate  
1 EUR = PLN 4.2279 - the lowest rate
  - in 2019 1 EUR = PLN 4.3891 - the highest rate  
1 EUR = PLN 4.2406 - the lowest rate

The items in Profit and Loss Account for 2020 were converted into EUR using the mean annual EUR/PLN exchange rate, which was PLN 4.4742.

### **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 2020 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 2020, 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 2020.

- 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 29.9 million as of the balance sheet date of 31 December 2020 and by PLN 53.5 million as of the balance sheet date of 31 December 2019 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 analysed 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 37,489 thousand, i.e. the sum of discounted cash flows arising from this right.

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Balance Sheet	Note	2020	2019
<b>ASSETS</b>			
<b>I. Fixed assets</b>		<b>785 344</b>	<b>800 066</b>
1. Intangible assets, of which:	1	0	0
- goodwill		0	0
2. Tangible fixed assets	2	766 257	782 700
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		74	74
4.1. Real estates		0	0
4.2. Intangible assets		0	0
4.3. Long-term financial assets	3	74	74
a) in related entities, including:		0	0
- shares or stocks in subsidiaries, valued using the equity method		0	0
b) in other entities in which the entity has equity involvement, including:		0	0
- shares or stocks in jointly controlled entities and associated entities valued using the equity method		0	0
- stocks and shares in other entities		0	0
c) in other entities		74	74
4.4. Other long-term investments		0	0
5. Long-term prepayments		19 013	17 292
5.1. Deferred income tax assets	4	19 013	17 292
5.2. Other prepayments and accruals		0	0
<b>II. Current assets</b>		<b>1 033 212</b>	<b>950 964</b>
1. Inventory	5	102 312	107 972
2. Short-term receivables	6	391 169	359 219
2.1. From related entities		366 461	333 084
2.2. From other entities in which the entity has equity exposure		0	0
2.3. From other entities		24 708	26 135
3. Short-term investments	8	537 569	481 906
3.1. Short-term financial assets		537 569	481 906
a) in related entities		400 000	350 000
b) in other entities		0	0
c) cash and other cash assets		137 569	131 906
3.2. Other short-term investments		0	0
4. Short-term prepayments	9	2 162	1 867
5. Called up share capital (fund) not paid		0	0

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6. Own shares and stocks		0	0
<b>Total assets</b>		<b>1 818 556</b>	<b>1 751 030</b>
<b>LIABILITIES</b>			
<b>I. Equity</b>		<b>1 169 711</b>	<b>1 157 634</b>
1. Share capital	11	110 422	110 422
2. Supplementary capital	12	327 667	327 609
3. Revaluation capital	13	64 891	64 949
4. Other reserve capitals	14	598 339	541 915
5. Profit/loss from previous years		0	0
6. Gross profit/loss		68 392	112 739
7. Charges against net profit during the financial year (negative value)		0	0
<b>II. Liabilities and provisions for liabilities</b>		<b>648 845</b>	<b>593 396</b>
1. Provisions for liabilities	15	92 663	80 067
1.1. Provision for deferred income tax		49 901	37 315
1.2. Provision for retirement gratuities and equivalent		42 523	38 375
a) long-term		11 341	10 449
b) short-term		31 182	27 926
1.3. Other provisions		239	4 377
a) long-term		239	218
b) short-term		0	4 159
2. Long-term liabilities	16	3 682	4 387
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		3 682	4 387
3. Short-term liabilities	17	552 500	508 942
3.1. To related entities		112 932	100 332
3.2. To other entities in which the entity has equity involvement		0	0
3.3. To other entities		438 699	408 476
3.4. Special funds		869	134
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>1 818 556</b>	<b>1 751 030</b>
Book value		1 169 711	1 157 634
Number of shares (pcs.)		13 802 750	13 802 750
Book value per share (in PLN/EUR)	18	84.74	83.87
Diluted number of shares (pcs.)		13 802 750	13 802 750
Diluted book value per share (in PLN)		84.74	83.87

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<b>Off-balance items</b>	Note	2020	2019
1. Contingent receivables		0	0
1.1. From related entities (due to)		0	0
- guarantees and sureties received		0	0
1.2. From other entities (due to)		0	0
- guarantees and sureties received		0	0
2. Contingent liabilities		0	0
2.1. To related entities (due to)		0	0
- guarantees and sureties extended		0	0
2.2. To other entities (due to)		0	0
- guarantees and sureties extended		0	0
3. Other (due to)		10 082	9 711
- off-balance liabilities under long-term gas supply contract		8 894	8 664
- off-balance liabilities under long-term lease contract		1 188	1 047
<b>Total off-balance items</b>		<b>10 082</b>	<b>9 711</b>

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Profit and Loss Account	Note	2020	2019
<b>I. Net sales of products, merchandise, materials and services</b>		<b>1 815 175</b>	<b>2 056 055</b>
- including from related entities		1 636 863	1 843 805
1. Net sales of products and services	19	1 635 084	1 842 246
2. Net sales of merchandise and materials	20	180 091	213 809
<b>II. Costs of products, merchandise and materials sold</b>		<b>1 691 701</b>	<b>1 903 999</b>
- including from related entities		1 530 992	1 719 027
1. Manufacturing costs of products sold	21	1 527 020	1 715 377
2. Value of products and materials sold		164 681	188 622
<b>III. Gross profit (loss) on sales</b>		<b>123 474</b>	<b>152 056</b>
IV. Cost of sales	21	15 813	15 226
V. General administrative expenses	21	8 835	8 036
<b>VI. Profit (loss) on sales</b>		<b>98 826</b>	<b>128 794</b>
VII. Other operating income	22	19 233	264
1. Proceeds from the disposal of non-financial fixed assets		212	107
2. Subsidies		0	0
3. Revaluation of non-financial assets		0	0
4. Other operating income		19 021	157
VIII. Other operating expenses		37 803	9 311
1. Loss on the disposal of non-financial fixed assets		0	0
2. Revaluation of non-financial assets		54	1 949
3. Other operating costs	23	37 749	7 362
<b>IX. Operating profit /loss</b>		<b>80 256</b>	<b>119 747</b>
X. Financial income	24	4 934	6 426
1. Dividends and shares in profits, of which:		0	106
from related entities, including:		0	0
in which the issuer holds equity stake		0	0
from other entities, including:		0	106
in which the issuer holds equity stake		0	106
2. Interest, of which:		3 170	6 320
- from related entities		2 879	4 187
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		1 764	0
XI. Financial expenses	25	1 854	4 150
1. Interest, of which:		1 854	2 180
- for related entities		0	0
2. Loss on the disposal of financial assets, of which:		0	0
in related entities		0	0

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3. Revaluation of financial assets		0	0
4. Other		0	1 970
<b>XII. Share in profits (losses) of subordinated entities accounted for using the equity method</b>		0	0
<b>XIII. Gross profit/loss</b>		<b>83 336</b>	<b>122 023</b>
<b>XIV. Income tax</b>	27	<b>14 944</b>	<b>9 284</b>
a) current portion		4 079	5 465
b) deferred portion		10 865	3 819
<b>XV. Other mandatory decrease of profit (increase of loss)</b>		0	0
<b>XVI. Net profit/loss</b>		<b>68 392</b>	<b>112 739</b>
Net profit/loss (annualized)		68 392	112 739
Average weighted number of ordinary shares (in pcs.)		13 802 750	13 802 750
Earnings (loss) per ordinary share (in PLN)	29	4.95	8.17
Average weighted diluted number of ordinary shares (in pcs.)		13 802 750	13 802 750
Diluted earnings (loss) per ordinary share (in PLN)		4.95	8.17

Statement of changes in Shareholders' Equity	2020	2019
<b>I. Opening balance of shareholders' equity</b>	<b>1 157 634</b>	<b>1 112 252</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>1 157 634</b>	<b>1 112 252</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>327 609</b>	<b>327 178</b>
2.1. Changes in the supplementary capital	58	431
a) additions, of which:	58	431
- allocation from the revaluation capital of amounts of revaluated liquidated fixed assets – current period	58	431
- 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>327 667</b>	<b>327 609</b>
<b>3. Opening balance of revaluation capital</b>	<b>64 949</b>	<b>65 380</b>
3.1. Changes in revaluation capital	-58	-431

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a) additions, of which:	0	0
b) reductions, of which:	58	431
- reposting of figures from revaluation of disposal of fixed assets to supplementary capital - current period	58	431
<b>3.2. Closing balance of revaluation capital</b>	<b>64 891</b>	<b>64 949</b>
<b>4. Opening balance of other reserve capital</b>	<b>541 915</b>	<b>519 520</b>
4.1. Changes in revaluation capital	56 424	22 395
a) additions, of which:	56 424	22 395
- allocation of 2019/2018 profits to the reserve capital, with an option of distribution among shareholders	56 424	22 395
b) reductions, of which:	0	0
<b>4.2. Closing balance of other reserve capital (funds)</b>	<b>598 339</b>	<b>541 915</b>
<b>5. Opening balance of retained earnings (profit/loss)</b>	<b>112 739</b>	<b>89 752</b>
<b>5.1. Opening balance of retained earnings (profit)</b>	<b>112 739</b>	<b>89 752</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>112 739</b>	<b>89 752</b>
a) additions, of which:	0	0
- distribution of profits from previous years	0	0
b) reductions, of which:	112 739	89 752
- dividend for shareholders	56 315	67 357
- allocation of 2019/2018 profits to the reserve capital, with an option of distribution among shareholders	56 424	22 395
<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>68 392</b>	<b>112 739</b>
a) net profit	68 392	112 739
b) net loss	0	0
c) profit write-off	0	0
<b>II. Closing balance of shareholders' equity</b>	<b>1 169 711</b>	<b>1 157 634</b>
<b>III. Shareholders' equity adjusted with proposed profit distribution (loss coverage)</b>	<b>1 169 711</b>	<b>1 157 634</b>

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Cash flow Statement	2020	2019
<b>I. Net profit/loss</b>	<b>68 392</b>	<b>112 739</b>
<b>II. Total adjustments</b>	<b>109 508</b>	<b>76 208</b>
1. Share in (profit) net losses of entities accounted for using the equity method	0	0
2. Amortization and depreciation	96 515	92 849
3. Foreign exchange gains/losses	-397	43
4. Interest and share in profits (dividend)	-2 038	-3 591
5. Investment activity gain/loss	-210	629
6. Change in the balance of provisions	12 596	17 557
7. Change in the balance of inventory	5 660	-14 166
8. Change of receivables balance	-31 950	-4 668
9. Change in balances of short-term liabilities, excl. credits and loans	31 348	-4 191
10. Change in balance of prepayments and accruals	-2 016	-8 324
11. Other adjustments	0	70
<b>III. Operational cash flows, net (I+/-II) - indirect method</b>	<b>177 900</b>	<b>188 947</b>
<b>B. Investment activity cash flows</b>		
<b>I. Cash inflows</b>	<b>64 820</b>	<b>192 291</b>
1. Disposal of intangibles and tangible fixed assets	1 941	2 998
2. Disposal of investments in real estate and intangible assets	0	0
3. From financial assets of which:	2 879	4 293
a) in related entities	2 879	4 187
- disposal of financial assets	0	0
- dividends and shares in profits	0	0
- repayment of long-term loans	0	0
- interests	2 879	4 187
- other inflows from financial assets	0	0
b) in other entities	0	106
- disposal of financial assets	0	0
- dividends and shares in profits	0	106
- repayment of long-term loans	0	0
- interests	0	0
- other inflows from financial assets	0	0
4 . Other investment activity income	60 000	185 000
<b>II. Cash outflows</b>	<b>177 262</b>	<b>270 313</b>
1. Acquisition of intangibles and tangible fixed assets	67 262	85 313
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

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b) in other entities	0	0
- acquisition of financial assets	0	0
- long-term loans granted	0	0
4. Other capital expenditures	110 000	185 000
<b>III. Investment activity cash flows, net (I-II)</b>	<b>-112 442</b>	<b>-78 022</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>60 192</b>	<b>71 395</b>
1. Acquisition of own shares (stock)	0	0
2. Dividends and other payments to owners	56 315	67 357
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	3 036	3 336
8. Interest income	841	702
9. Other financial outflows	0	0
<b>III. Financial activity cash flows, net (I-II)</b>	<b>-60 192</b>	<b>-71 395</b>
<b>D. Total cash flows, net (A.III+/-B.III+/-C.III)</b>	<b>5 266</b>	<b>39 530</b>
<b>E. Balancing change of cash balance including:</b>	<b>5 663</b>	<b>39 487</b>
- change of cash flows balance due to FX gains/losses	397	-43
<b>F. Opening cash balance</b>	<b>131 916</b>	<b>92 386</b>
<b>G. Closing cash balance (F+/-D), of which:</b>	<b>137 182</b>	<b>131 916</b>
- restricted cash	2 389	2 348

## **2. ADDITIONAL INFORMATION AND EXPLANATIONS**

### **2.1. EXPLANATORY NOTES TO BALANCE SHEET**

#### **Note 1a**

<b>Intangible assets</b>	<b>2020</b>	<b>2019</b>
a) costs of completed development works	0	0
b) goodwill	0	0
c) acquired concessions, patents, licenses and equivalents including:	0	0
- computer software		
d) other intangible assets	0	0
e) advances against intangible assets	0	0
<b>Total Intangible assets</b>	<b>0</b>	<b>0</b>

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**Note 1b**

Changes in the balance of intangible assets (by category)	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	7 380	7 380	0	0	<b>7 380</b>
b) additions (due to)	0	0	0	0	0	0	<b>0</b>
- purchase	0	0	0	0	0	0	<b>0</b>
c) reductions (due to)	0	0	0	0	0	0	<b>0</b>
- liquidation	0	0	0	0	0	0	<b>0</b>
d) closing balance of intangible assets, gross	0	0	7 380	7 380	0	0	<b>7 380</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	0	0	0	0	<b>0</b>
- accrued depreciation for the period	0	0	0	0	0	0	<b>0</b>
- liquidation	0	0	0	0	0	0	<b>0</b>
g) closing balance of accumulated depreciation	0	0	7 380	7 380	0	0	<b>7 380</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	0	0	0	0	<b>0</b>

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**Note 1c**

<b>Intangible assets (ownership structure)</b>	<b>2020</b>	<b>2019</b>
a) own intangible assets	0	0
b) used under a hire, rent or other agreement, including a lease contract, of which:	0	0
<b>Total intangible assets</b>	<b>0</b>	<b>0</b>

**Note 2a**

<b>Tangible fixed assets</b>	<b>2020</b>	<b>2019</b>
a) fixed assets, of which:	700 914	723 837
- lands (including right of perpetual usufruct to land)	54	54
- buildings, premises and civil engineering structures	112 433	109 406
- equipment and machinery	579 791	606 174
- means of transport	1 160	1 106
- other fixed assets	7 476	7 097
b) fixed assets under construction	62 007	56 030
c) advances against fixed assets under construction	3 336	2 833
<b>Total tangible fixed assets</b>	<b>766 257</b>	<b>782 700</b>

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### Note 2b

Changes in fixed assets (by category)						
	- lands (including right of perpetual usufruct to land)	- buildings, premises and civil engineering structures	- equipment and machinery	- means of transport	- other fixed assets	<b>Total fixed assets</b>
a) opening balance of fixed assets, gross	54	298 597	1 718 691	2 641	25 237	<b>2 045 220</b>
b) additions (of which)	0	7 954	65 270	306	1 793	<b>75 323</b>
- from investments	0	7 954	63 884	0	1 190	<b>73 028</b>
- taking on leases	0	0	1 386	306	603	<b>2 295</b>
c) reductions (of which)	0	0	9 059	350	562	<b>9 971</b>
- disposal	0	0	3 314	101	0	<b>3 415</b>
- liquidation	0	0	4 709	0	562	<b>5 271</b>
- return to the Lessor once the contract has expired	0	0	1 036	249	0	<b>1 285</b>
d) closing balance of fixed assets, gross	54	306 551	1 774 902	2 597	26 468	<b>2 110 572</b>
e) opening balance of accumulated depreciation	0	187 147	1 114 369	1 535	18 140	<b>1 321 191</b>
f) depreciation for the accounting period of which:	0	6 916	80 605	-98	852	<b>88 275</b>
- accrued depreciation for the period	0	6 916	87 933	252	1 414	<b>96 515</b>
- depreciation decline due to disposal and liquidation	0	0	6 292	101	562	<b>6 955</b>
- return to the Lessor once the contract has expired	0	0	1 036	249	0	<b>1 285</b>
g) closing balance of accumulated depreciation	0	194 063	1 194 974	1 437	18 992	<b>1 409 466</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	54	112 433	579 791	1 160	7 476	<b>700 914</b>

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**Note 2c**

<b>Balance sheet fixed assets (ownership structure)</b>	<b>2020</b>	<b>2019</b>
a) own fixed assets	694 743	716 929
b) used under rental, tenancy or other contract including lease contract including	6 171	6 908
- leased assets	6 171	6 291
<b>Total balance sheet fixed assets</b>	<b>700 914</b>	<b>723 837</b>

**Note 2d**

<b>Off-balance fixed assets</b>	<b>2020</b>	<b>2019</b>
used under rental, tenancy or other contract including lease contract, including	49 849	49 708
- real estate used under a lease agreement according to the estimated gross value	0	0
- operational lease	1 188	1 047
- perpetual usufruct title to lands	48 661	48 661
<b>Total off-balance fixed assets</b>	<b>49 849</b>	<b>49 708</b>

**Note 3a**

<b>Long-term financial assets</b>	<b>2020</b>	<b>2019</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

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- 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	74	74
- interests or shares	74	74
- debt securities	0	0
- other securities (by category)	0	0
- loans extended	0	0
- other long-term financial assets (by category)	0	0
Total long-term financial assets	74	74

**Note 3b**

<b>Change of balance of long-term financial assets (by category)</b>	2020	2019
a) opening balance	74	144
b) additions (of which)	0	0
c) reductions (of which)	0	70
d) closing balance	74	74

**Tire Company Dębica S.A.**

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**Note 3c**

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)	74	1 767	1 008	7.00%	7.00%	0	0

Data as of December 31, 2019

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**Note 3d**

<b>Securities, interests and other long-term financial assets (by currency)</b>	<b>2020</b>	<b>2019</b>
a) in Polish currency	74	74
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>74</b>	<b>74</b>

**Note 3e**

<b>Securities, interests and other long-term financial assets (by marketability)</b>	<b>2020</b>	<b>2019</b>
A. With limited marketability (balance sheet value)	74	74
a) interests and shares (balance sheet value):	74	74
- revaluation adjustments (for the period)	0	0
- value at the beginning of the period	0	0
- value according to prices of acquisition	74	74
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	74	74
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>74</b>	<b>74</b>

**Note 4a**

<b>Change of the balance of deferred income tax assets</b>	<b>2020</b>	<b>2019</b>
1. Total opening balance of the deferred income tax assets, including:	17 292	9 328
a) included in the net financial income	17 292	9 328
costs of unpaid, unfinished or not made available payments, benefits and other receivables due to the titles specified in art. 12	7 941	6 852
value of created provisions for costs	4 767	4 984
provisions for revaluation write-offs	4 238	3 896
other	346	243
1a Valuation adjustment	0	-6 647

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2. Additions	2 586	8 378
a) included in the net financial income in the accounting period with reference to negative temporary differences (of which):	2 586	8 378
costs of unpaid, unfinished or not made available payments, benefits and other receivables due to the titles specified in art. 12	770	1 089
value of created provisions for costs	1 795	181
provisions for revaluation write-offs	14	358
other	7	103
2a Valuation adjustment	0	6 647
b) included in the net financial income in the accounting period in connection with tax loss (if which)	0	0
3. Reductions	865	414
a) included in the net financial income in the accounting period with reference to negative temporary differences (of which):	865	414
costs of unpaid, unfinished or not made available payments, benefits and other receivables due to the titles specified in art. 12	790	0
value of created provisions for costs	47	398
provisions for revaluation write-offs	17	16
other	11	0
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:	19 013	17 292
a) included in the net financial income	19 013	17 292
costs of unpaid, unfinished or not made available payments, benefits and other receivables due to the titles specified in art. 12	7 921	7 941
value of created provisions for costs	6 515	4 767
provisions for revaluation write-offs	4 235	4 238
other	342	346
b) charged to equity	0	0
4A. Valuation adjustment	0	0
4B. Total closing balance of the deferred income tax assets, including:	19 013	17 292
c) charged to goodwill or negative goodwill	0	0

**Note 5a**

Inventory	2020	2019
a) materials	68 943	82 000
b) intermediate products and work in progress	31 589	24 158
c) finished goods	1 776	1 809
d) merchandise	4	5
<b>Total inventory</b>	<b>102 312</b>	<b>107 972</b>

**Tire Company Dębica S.A.**

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**Note 6a**

<b>Short-term receivables</b>	<b>2020</b>	<b>2019</b>
a) from related entities	366 461	333 084
- trade receivables, with maturity:	366 461	333 084
- below 12 months	366 461	333 084
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	24 708	26 135
- trade receivables, with maturity:	21 470	25 265
- below 12 months	21 470	25 265
- above 12 months	0	0
- due to taxes, customs, social and health insurance and other public law titles	2 383	0
- other	855	870
- claimed in court	0	0
Total short-term receivables, net	391 169	359 219
d) receivables revaluation write-downs	22 000	22 090
<b>Total short-term receivables, gross</b>	<b>413 169</b>	<b>381 309</b>

**Note 6b**

<b>Short-term receivables from related entities</b>	<b>2020</b>	<b>2019</b>
a) trade payables, of which:	366 461	333 084
- from parent company	954	914
- from other related entities	365 507	332 170
Total short-term receivables from related entities, net	366 461	333 084
<b>Total short-term receivables from related entities, gross</b>	<b>366 461</b>	<b>333 084</b>

**Note 6c**

<b>Short-term receivables from non-related entities</b>	<b>2020</b>	<b>2019</b>
a) trade payables, of which:	21 470	25 265
b) due to taxes, customs, social and health insurance and other public law titles	2 383	0
c) other, of which:	855	870
Total short-term receivables from non-related entities, net	24 708	26 135
d) write-downs revaluating receivables from non-related entities	22 000	22 090
<b>Total short-term receivables from non-related entities, gross</b>	<b>46 708</b>	<b>48 225</b>

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**Note 6d**

<b>Change of balance of write-downs revaluating short-term receivables</b>	<b>2020</b>	<b>2019</b>
Opening balance	22 090	20 203
a) additions (of which)	186	2 034
- setting up provisions	186	2 034
b) reductions (of which)	276	147
- utilization	25	0
- dissolution, paid	251	147
Closing balance of write-down revaluating short-term receivables	22 000	22 090

**Note 6e**

<b>Short-term receivables, gross (currency breakdown)</b>	<b>2020</b>	<b>2019</b>
a) in Polish currency	56 240	56 983
b) in foreign currencies (by currencies and after conversion into PLN)	356 929	324 326
b1. unit /currency '000/USD	61	64
'000 PLN	230	244
b2. unit /currency '000/EUR	77 270	76 102
'000 PLN	356 587	324 082
b3. unit /currency '000/GBP	22	0
'000 PLN	112	0
<b>Total short-term receivables</b>	<b>413 169</b>	<b>381 309</b>

**Note 6f**

<b>Gross trade receivables from other entities - with maturity counted from balancing date</b>	<b>2020</b>	<b>2019</b>
a) below 1 month	39	4 206
b) from 1 to 3 months	16 328	14 873
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	27 103	28 275
Total trade receivables, gross	43 470	47 354
g) write-downs revaluating trade receivables	-22 000	-22 089
<b>Total trade receivables, net</b>	<b>21 470</b>	<b>25 265</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.

**Tire Company Dębica S.A.**

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**Note 6g**

<b>Overdue trade receivables, gross – with the following ageing structure</b>	<b>2020</b>	<b>2019</b>
a) below 1 month	795	3 521
b) from 1 to 3 months	71	1 504
c) from 3 to 6 months	80	807
d) from 6 months to 1 year	36	1 062
e) above 1 year	26 121	21 381
Total overdue trade receivables, gross	27 103	28 275
f) write-downs revaluating overdue trade receivables	22 000	22 089
<b>Total overdue trade receivables, net</b>	<b>5 103</b>	<b>6 186</b>

**Note 7a**

Gross short-term receivables totalled PLN 413 169 thousand including:

- overdue receivables totalling PLN 27 103 thousand.

The revaluation write-offs totalled PLN 22 000 thousand including:

- overdue receivables totalled PLN 22 000 thousand.

Gross long-term receivables did not occur.

Trade receivables under litigation - PLN 25 887 thousand.

Provision for trade receivables under litigation - PLN 21 639 thousand.

**Note 8a**

<b>Short-term financial assets</b>	<b>2020</b>	<b>2019</b>
a) other related entities	400 000	350 000
- loans extended	400 000	350 000
b) cash and other cash assets	137 569	131 906
- cash in hand and cash at bank	137 569	131 906
<b>Total short-term financial assets</b>	<b>537 569</b>	<b>481 906</b>

**Note 8b**

<b>Short-term loans extended (by currency)</b>	<b>2020</b>	<b>2019</b>
a) in Polish currency	400 000	350 000
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>400 000</b>	<b>350 000</b>

## Tire Company Dębica S.A.

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### Note 8c

<b>Cash and cash equivalents (by currency)</b>	<b>2020</b>	<b>2019</b>
a) in Polish currency	121 243	126 773
b) in foreign currencies (by currencies and after conversion into PLN)	16 326	5 133
b1. unit /currency '000/USD	130	121
'000 PLN	489	461
b2. unit /currency '000/EUR	3 432	1 097
'000 PLN	15 837	4 672
other currencies in '000 PLN	0	0
<b>Total cash and cash equivalents</b>	<b>137 569</b>	<b>131 906</b>

### Note 9a

<b>Short-term prepayments</b>	<b>2020</b>	<b>2019</b>
a) cost prepayments including:	2 162	1 867
- property insurance	1 209	866
- other	953	1 001
<b>Total short-term prepayments</b>	<b>2 162</b>	<b>1 867</b>

### Note 10a

The revaluation of inventory was made based on conservative pricing of materials, products and commodities.

The revaluation of non-financial assets for 12 months 2020 totalled PLN 119 thousand, and it concerned only the stock of materials.

At the same time an adjustment (reduction) was made for the write-off for materials in the amount of PLN 38 thousand, that reduced the manufacturing cost of the products sold in the P&L Account.

## Tire Company Dębica S.A.

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### Note 11a

Share Capital (structure)								
				in '000 PLN				
Series/ issue	Share classes	Type of stock preference	Type of limitation of rights to shares	No. of shares	Value of series/issue by par value	Way of bringing up capital	Registration date	Right to dividend (effective from the 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:

- 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\*.
- In 2020, there were no changes in the shareholding structure 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.

### Note 12a

Supplementary capital	2020	2019
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)	21 433	21 375
- reposting of reserve capital from revaluation of fixed assets –liquidated and disposed of	19 749	19 691
- 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>327 667</b>	<b>327 609</b>

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Data in thousands of PLN

**Note 13a**

<b>Revaluation capital</b>	<b>2020</b>	<b>2019</b>
a) revaluation of fixed assets	64 410	64 468
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>64 891</b>	<b>64 949</b>

**Note 14a**

<b>Other reserve capital (by purpose)</b>	<b>2020</b>	<b>2019</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	0
<b>Total other reserve capitals</b>	<b>598 339</b>	<b>541 915</b>

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**Note 15a**

<b>Change in the balance of provision for deferred income tax</b>	<b>2020</b>	<b>2019</b>
1. Opening balance of the deferred income tax provision, including:	37 315	25 532
a) included in the net financial income	37 315	24 702
difference between accounting and tax treatment of depreciation	36 825	24 264
interest charged to and not received from the contractors including interests on extended loans (credits)	136	128
prepayments	354	310
1a Valuation adjustment	0	830
2. Additions	12 819	12 771
a) included in the net financial income in the accounting period with reference to positive temporary differences (of which):	12 819	12 771
difference between accounting and tax treatment of depreciation	12 759	12 719
interest charged to and not received from the contractors including interests on extended loans (credits)	0	8
prepayments	56	44
other	4	0
3. Reductions	233	988
a) included in the net financial income in the accounting period with reference to positive temporary differences (of which):	233	988
difference between accounting and tax treatment of depreciation	157	158
interest charged to and not received from the contractors including interests on extended loans (credits)	76	0
3a Valuation adjustment	0	830
4. Total closing balance of the deferred income tax provision	49 901	37 315
a) included in the net financial income	49 901	37 315
difference between accounting and tax treatment of depreciation	49 427	36 825
interest charged to and not received from the contractors including interests on extended loans (credits)	60	136
prepayments	410	354
other	4	0
4a. Valuation adjustment	0	0
4b. Total closing balance of the deferred income tax provision	49 901	37 315

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**Note 15b**

<b>Change in the balance of long-term provision for retirement benefits and equivalents (by title)</b>	<b>2020</b>	<b>2019</b>
a) opening balance	10 449	9 707
- retirement gratuities	10 206	9 325
- other employee benefits due, but unpaid	243	382
b) additions (of which)	1 528	1 013
- retirement gratuities	1 242	881
- other employee benefits due, but unpaid	286	132
c) utilization (of which)	636	0
- retirement gratuities	393	0
- other employee benefits due, but unpaid	243	0
d) dissolution (of which)	0	271
- retirement gratuities	0	0
- other employee benefits due, but unpaid	0	271
e) closing balance	11 341	10 449
- retirement gratuities	11 055	10 206
- other employee benefits due, but unpaid	286	243

**Note 15c**

<b>Change in the balance of short-term provision for retirement benefits and equivalents (by title)</b>	<b>2020</b>	<b>2019</b>
a) opening balance	27 926	26 339
- retirement gratuities	559	599
- other employee benefits due, but unpaid	27 367	25 740
b) additions (of which)	30 622	32 017
- retirement gratuities	93	354
- other employee benefits due, but unpaid	30 529	31 663
c) utilization (of which)	27 366	30 430
- retirement gratuities	0	394
- other employee benefits due, but unpaid	27 366	30 036
d) dissolution (of which)	0	0
- retirement gratuities	0	0
- other employee benefits due, but unpaid	0	0
e) closing balance	31 182	27 926
- retirement gratuities	652	559
- other employee benefits due, but unpaid	30 530	27 367

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**Note 15d**

<b>Change in balance of other long-term provisions (by title)</b>	<b>2020</b>	<b>2019</b>
a) opening balance	218	139
- tire warranties extended	218	139
b) additions (of which)	99	84
- tire warranties extended	99	84
c) utilization (of which)	78	5
- tire warranties extended	78	5
d) dissolution (of which)	0	0
- tire warranties extended	0	0
e) closing balance	239	218
- tire warranties extended	239	218

**Note 15e**

<b>Change in balance of other short-term provisions (by title)</b>	<b>2020</b>	<b>2019</b>
a) opening balance	4 159	793
- restructuring provision (severance pays for laid-off workers)	4 159	793
b) additions (of which)	0	6 819
- restructuring provision (severance pays for laid-off workers)	0	6 819
c) utilization (of which)	1 924	2 964
- restructuring provision (payment of severance pays to laid-off workers)	1 924	2 964
d) dissolution (of which)	2 235	489
- restructuring provision (severance pays for laid-off workers)	2 235	489
e) closing balance	0	4 159
- restructuring provision (severance pays for laid-off workers)	0	4 159

**Note 16a**

<b>Long-term liabilities</b>	<b>2020</b>	<b>2019</b>
a) to other entities	3 682	4 387
- credits and loans	0	0
- related to the issue of debt securities	0	0
- other financial liabilities, of which:	3 682	4 387
- financial lease contracts	3 682	4 387
- other (by category)	0	0
- embedded derivatives	0	0
<b>Total long-term liabilities</b>	<b>3 682</b>	<b>4 387</b>

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**Note 16b**

<b>Long-term liabilities with maturity from balancing date</b>	<b>2020</b>	<b>2019</b>
a) from 1 to 3 years	2 871	3 422
b) from 3 to 5 years	811	965
c) above 5 years	0	0
<b>Total long-term liabilities</b>	<b>3 682</b>	<b>4 387</b>

**Note 16c**

<b>Long-term liabilities (by currency)</b>	<b>2020</b>	<b>2019</b>
a) in Polish currency	3 682	4 387
<b>Total long-term liabilities</b>	<b>3 682</b>	<b>4 387</b>

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### Note 16d

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

Name of entity (company)	Registered office	Credit /loan amount under Agreement				Amount of credit/loan to be repaid				Terms of payment		Securities & collaterals
		including legal status	('000 PLN)	currency	unit	currency	('000 PLN)	currency	unit	currency	interest rate	
BANK PEKAO S.A.	WARSZAWA	60 000	0	('000 PLN)	PLN	0	0	('000 PLN)	PLN	WIBOR 1M + 1.30%	31.10.2021	a power of attorney to use current account, statement about voluntary subjecting oneself to enforcement procedure pursuant to Art. 777 § 1 of the Act on Civil Procedure Code
BNP PARIBAS	WARSZAWA	40 000	0	('000 PLN)	PLN	0	0	('000 PLN)	PLN	WIBOR 1M + 1.00%	30.09.2022	a power of attorney to use current account, statement about voluntary subjecting oneself to enforcement procedure pursuant to Art. 777 § 1 of the Act on Civil Procedure Code
MBANK SA	WARSZAWA	45 000	0	('000 PLN)	PLN	0	0	('000 PLN)	PLN	WIBOR ON + 1.60%	30.09.2021	a power of attorney to use current account, statement about voluntary subjecting oneself to enforcement procedure pursuant to Art. 777 § 1 of the Act on Civil Procedure Code
		145 000										

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### Note 17a

Short-term liabilities	2020	2019
a) short term liabilities to related entities	112 932	100 332
a1) to parent entity	3 056	6 743
- 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:	3 056	6 743
- below 12 months	3 056	6 743
- 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	109 876	93 589
- trade payables, with maturity:	109 876	93 589
- below 12 months	109 876	93 589
- dividend related	0	0
b) to other entities	438 699	408 476
- 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:	2 652	2 688
- financial lease contracts	2 652	2 688
- trade payables, with maturity:	397 276	383 726
- below 12 months	397 276	383 726
- above 12 months	0	0
- prepaid deliveries	0	0
- bill of exchange liabilities	0	0
- related to taxes, subsidies, custom duties, insurance and other	23 777	19 312
- wages and salaries	0	0
- other (by title)	14 994	2 750
- investment liabilities	14 994	2 748
- other	0	2
d) special funds (by title)	869	134
<b>Total short-term liabilities</b>	<b>552 500</b>	<b>508 942</b>

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### Note 17b

Short-term liabilities (by currency)	2020	2019
a) in Polish currency	195 875	220 862
b) in foreign currencies (by currencies and after conversion into PLN)	356 625	288 080
b1. unit /currency '000/USD	1 074	699
'000 PLN	4 035	2 656
b2. unit/currency '000/EUR	76 404	66 956
'000 PLN	352 590	285 131
b3. unit/currency '000/GBP	0	59
'000 PLN	0	293
<b>Total short-term liabilities</b>	<b>552 500</b>	<b>508 942</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)	2020	2019
- revenues from the sales of rubber products	1 614 053	1 826 527
- of which: from related entities	1 609 504	1 823 508
- revenues from sales of services	21 031	15 719
- of which: from related entities	18 372	13 750
<b>Total net sales of products</b>	<b>1 635 084</b>	<b>1 842 246</b>
- of which: from related entities	1 627 876	1 837 258

## Note 19b

Net sales of products (by geographical area)	2020	2019
a) domestic market	8 752	6 387
- of which: from related entities	2 438	2 441
- revenues from the sales of rubber products	3 672	2 005
- of which: from related entities	0	0
- revenues from sales of services	5 080	4 382
- of which: from related entities	2 438	2 441
b) export markets	1 626 332	1 835 859
- of which: from related entities	1 625 438	1 834 817
- revenues from the sales of rubber products	1 610 381	1 824 522
- of which: from related entities	1 609 504	1 823 508
- revenues from sales of services	15 951	11 337
- of which: from related entities	15 934	11 309
<b>Total net sales of products</b>	<b>1 635 084</b>	<b>1 842 246</b>
- of which: from related entities	1 627 876	1 837 258

## Note 20a

Net sales of commodities and materials (by type of activity)	2020	2019
- revenues from the sales of materials	8 987	6 570
- of which: from related entities	8 987	6 547
- revenues from the sales of commodities	171 104	207 239
- of which: from related entities	0	0
<b>Total net sales of commodities and materials</b>	<b>180 091</b>	<b>213 809</b>
- of which: from related entities	8 987	6 547

## Tire Company Dębica S.A.

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### Note 20b

Net sales of commodities and materials (by geographical area)	2020	2019
a) domestic market	171 104	207 239
- 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	171 104	207 239
- of which: from related entities	0	0
b) export markets	8 987	6 570
- of which: from related entities	8 987	6 547
- revenues from the sales of materials	8 987	6 570
- of which: from related entities	8 987	6 547
- revenues from sales of commodities	0	0
- of which: from related entities	0	0
<b>Total net sales of commodities and materials</b>	<b>180 091</b>	<b>213 809</b>
- of which: from related entities	8 987	6 547

### Note 21a

Costs by category	2020	2019
a) amortization	96 515	92 849
b) material and energy consumption	1 079 473	1 247 824
c) third party services	123 828	126 537
d) taxes and charges	8 349	6 981
e) wages and salaries	216 777	205 087
f) social insurance and other benefits	67 812	66 207
g) other costs by category (of which)	12 700	10 253
- advertising and entertainment costs	1 955	1 982
- business travel	298	799
- costs of relations with purchasing groups	1 999	1 851
- distribution costs	1 568	0
- property insurance	3 959	3 078
- contributions to the State Fund for Rehabilitation of the Disabled	2 166	2 009
- other	755	534
Total costs by type	1 605 454	1 755 738
Change in the balance of inventory, products and prepayments	-7 398	-3 536
Manufacturing costs of products for own consumption of the entity (negative value)	-46 388	-13 563
Cost of sales (negative value)	-15 813	-15 226
General management and administration costs (negative value)	-8 835	-8 036
<b>Manufacturing costs of products sold</b>	<b>1 527 020</b>	<b>1 715 377</b>

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**Note 22a**

<b>Other operating income</b>	<b>2020</b>	<b>2019</b>
a) dissolved provisions (of which)	2 372	0
- provision for restructuring costs	2 235	0
- provision for liquidation of a fixed asset	137	0
b) other, of which:	16 861	264
- subsidy from Guaranteed Employee Benefits Fund	16 551	0
- refunded costs of dispute proceedings	4	21
- gain on the disposal of non-financial fixed assets	212	107
- compensation for bad quality of raw materials	15	51
- reimbursement of damages for car accidents	0	9
- received compensations from Social Security Institution and Tax Office	63	74
- other operating income	16	2
<b>Total other operating income</b>	<b>19 233</b>	<b>264</b>

**Note 23a**

<b>Other operating expenses</b>	<b>2020</b>	<b>2019</b>
a) set up provisions (of which)	21	6 409
- restructuring expenses	0	6 330
- provision for warranties extended	21	79
b) other, of which:	37 728	953
- expenses related to dispute procedure	27	42
- scrapping of products and materials	94	169
- donations and contributions to the organisations	166	170
- inventory differences	439	239
- costs of non-utilized production capacity	36 449	0
- liquidation of fixed assets	0	319
- return of subsidy from the Guaranteed Employee Benefits Fund	518	0
- other operating expenses	35	14
<b>Total other operating expenses</b>	<b>37 749</b>	<b>7 362</b>

**Note 23b**

Revaluation of non-financial assets includes:

- reversal of the write-off in the amount of PLN 66 thousand concerning overdue trade receivables,
- write-off in the amount of PLN 119 thousand related to the non-marketable 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>2020</b>	<b>2019</b>
a) from other entities, of which:	0	106
- from other entities	0	106
<b>Total financial income from dividend and shares in profits</b>	<b>0</b>	<b>106</b>

**Note 24b**

<b>Financial gains related to interest income</b>	<b>2020</b>	<b>2019</b>
a) loans extended	2 879	4 187
- from related entities, of which:	2 879	4 187
- from parent entity	2 879	4 187
- from other entities	0	0
b) other interests	291	2 133
- from non-related entities	291	2 133
- from other entities	291	2 133
<b>Total financial gains related to interest income</b>	<b>3 170</b>	<b>6 320</b>

**Note 24c**

<b>Other financial gains</b>	<b>2020</b>	<b>2019</b>
a) foreign exchange gains	1 764	0
- realised	2 054	0
- non-realised	-290	0
b) other (of which)	0	0
- other financial gains	0	0
<b>Total other financial gains</b>	<b>1 764</b>	<b>0</b>

**Note 25a**

<b>Financial costs related to interest expense</b>	<b>2020</b>	<b>2019</b>
a) on credits and loans	15	2
- for non-related entities, of which:	15	2
- for other entities	15	2
b) other interest expenses	1 839	2 178
- for non-related entities, of which:	1 839	2 178
- for other entities	1 839	2 178
<b>Total financial costs related to interest expense</b>	<b>1 854</b>	<b>2 180</b>

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**Note 25b**

Other financial expenses	2020	2019
a) foreign exchange losses, of which:	0	1 970
- realised	0	3 287
- non-realised	0	-1 317
<b>Total other financial expenses</b>	<b>0</b>	<b>1 970</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.

**Note 27a**

Current income tax	2020	2019
1. Gross profit/loss	83 336	122 023
2. Differences between gross profit (loss) and income tax base (by title)	-54 236	-56 295
A. Permanent differences	2 947	3 158
Non-deductible costs and losses, including	2 947	3 158
receivables written off as irrecoverable	25	0
interest on late payments - receivables of the budget	194	33
payments to State Fund for the Rehabilitation of the Disabled	2 161	2 034
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	108	124
compensation for accidents at work and occupational diseases	60	102
contributions to organizations to which the taxpayer's membership is not compulsory	14	5
donations and offerings of any kind, except as provided for by law	115	164
representation costs, in particular incurred for catering services, purchase of food and beverages, including alcoholic beverages	39	426
VAT not recovered on export consignments and non-confirmed correction invoices	13	4
other causes	218	266
B. Transient differences	57 183	59 453
Positive, of which:	66 240	66 386
difference between accounting and tax treatment of depreciation	66 328	66 110
interest charged to and not received from the contractors including interests on extended loans (credits)	-402	45
prepayments	314	231
Negative, of which	-9 057	-6 933
costs of unpaid, unfinished or not made available payments, benefits and other receivables due to the titles specified in art. 12	103	-5 738
revaluation write-offs	15	-1 804
accrued expenses and provisions for liabilities	-9 140	1 149

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other causes (total of items, where each valued at below PLN 20 thousand)	-35	-540
3. Income tax base (before deductions)	29 100	65 728
4. Income covered by the zone permit	7 632	36 967
5. Income tax base (after deductions)	21 468	28 761
6. Income tax at 19 %	4 079	5 465
7. Tax increases, waivers, exemptions, deductions and declines	0	0
8. Current portion of income tax recognized (reported) in the tax return for the period, including	4 079	5 465
- that posted into the Profit and Loss Account	4 079	5 465

Pursuant to the held operational permit No. 134/ARP/2008 of 27 February 2008 for running business activities within the Euro-Park Mielec Special Economic Zone, the Company has the right to benefit from income tax relief up to 40.23 per cent of the discounted amount of capital expenditures spent on investment projects within the "Euro-Park Mielec" Special Economic Zone. The Company met the requirements attached to the operational permit in December 2012 and starting from 2013 onwards was entitled to a corporate income tax relief. As at the balance sheet date, the Company used the due tax relief in full.

### Note 27b

Deferred income tax	2020	2019
- decrease (increase) due to the occurrence and reversal of temporary differences	10 865	3 819
<b>Total deferred income tax</b>	<b>10 865</b>	<b>3 819</b>

### Note 28a

2019 profit distribution:

dividend for shareholders totalling PLN 56 315 thousand, which was paid on 17 December 2020

increase of the reserve capital by PLN 56 424 thousand

The 2019 profit, net totalled PLN 112 739 thousand

The proposal on appropriation of the net 2020 profit in the amount of PLN 68 392 thousand will be presented by the Management Board at the Ordinary General Meeting of Shareholders that will be held pursuant to Article 395 of the Commercial Companies' Code.

### Note 29a

For the calculation of earnings per share, the net profit for 2020 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	31.12.2020	31.12.2019
1. Cash and cash equivalents according to item 3.1.b of assets, including:	137 569	131 906
- cash at bank	137 559	131 898
- cash in hand	10	8
2. Adjustment of balance sheet valuation of foreign currencies	387	10
3. Cash assets for the Cash Flow Statement	137 182	131 916

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

Period	31.12.2020	31.12.2019
balance sheet change	43 558	-3 758
Adjustments:		
change in liabilities triggered by fixed assets under construction	-12 246	31
change in short-term financial lease liabilities	36	-464
repayment of financial lease instalments		
Total adjustments	-12 210	-433
In the Cash Flow Statement	31 348	-4 191

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

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

In the accounting year 2020, the Company did not make any fixed assets revaluation write-offs.

As of 31 December 2020, fixed assets revaluation write-offs totalled PLN 192 thousand and it remained unchanged compared to the previous year.

The balance of inventory revaluation write-downs totalled PLN 300 thousand:

- for products                    PLN 0 thous.,
- for materials                 PLN 300 thous.

In 2019 the balance of inventory revaluation write-downs totalled PLN 219 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 2020 accounting 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 programme

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 29 998 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 2020, 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**

In 2020 the cost of manufacturing fixed assets under construction totalled PLN 62 007 thousand (in 2019 - PLN 56 030 thousand); including FX gains/losses increasing the cost of manufacturing amounting to PLN 93 thousand (in 2019 - PLN 77 thousand). There was no interest increasing the manufacturing costs.

The cost of manufacturing of fixed assets for own consumption was PLN 46 389 thousand (in 2019 - PLN 13 563 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 2020, capital expenditures totalled PLN 79 508 thousand, including PLN 1 684 thousand on environmental protection. The planned capital expenditures in 2021 amount to PLN 97 562 thousand (for environmental protection PLN 4 357 thousand).

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

None.

**12.1. Transactions with related entities**

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.

**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**

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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	2019	2020	Women	Men
Total	3 063	2 984	497	2 487
including:				
white-collar workers	300	296	101	195
blue-collar workers	2 763	2 688	396	2 292

### 16. Remuneration of management and supervisory personnel

Remuneration of Management and Supervisory Boards in 2020 totalled to 4 117.0 (in '000 PLN):

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

1. Leszek Szafran	1 139.2
2. Ireneusz Maksymiuk	813.4
3. Michał Mędrek	573.0
4. Mirosław Maziarka	1 085.3
<b>Total:</b>	<b>3 610.9</b>

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

1. Maciej Mataczyński	102.7
2. Łukasz Rędziniak	135.6
3. Janusz Raś	36.0
4. Andrzej Kowal	135.3
5. Krzysztof Mika	96.5
<b>Total:</b>	<b>506.1</b>

Other Supervisory Board members did not collect their fees.

**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 3 July 2020 a contract was signed with PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., with its registered office in Warsaw, at ul. Polna 11, to deliver services involving the audit and review of financial statements for accounting year 2020.

The fee owed for the audit and review of 2020 financial statement totalled PLN 285 000 (in 2019: PLN 283 681).

The certified auditor did not provide any other services, except for the audit and review of the Company's Financial Statements.

**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 coronavirus pandemic COVID-19**

The Management Board monitors continuously the impact of the COVID-19 pandemic on financial, business and operational aspects and takes appropriate decisions to ensure continuity of operations as well as safe and stable Company position. The scale of the Company's operating activities is and will be adjusted to the current market situation.

1. Ensuring business continuity:

a) Business Continuity Team

Despite the development of the pandemic, the Management Board concluded that it was reasonable to adopt the going concern principle. 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) Ensuring personnel safety

With the spread of COVID-19 coronavirus in Europe, the Company has taken steps to ensure safety to its personnel. The number of business trips and visits to the manufacturing site has been reduced, and the personnel have been instructed on how to maintain hygiene on the site and in interpersonal contacts. The availability of disinfectants and protective agents has been increased on site, and the personnel whose work can be performed without a need for physical presence in the company can work remotely.

c) Tire production constraints

On 21 March the Company announced a putting manufacturing activities on halt temporarily, which was subsequently extended to 17 April 2020. This decision was made with a view to ensuring the safety of the Company's personnel and business partners and in response to the impact of the COVID-19 pandemic on market demand in Poland and in the markets where Goodyear, the Company's key customer operates. The decline in demand across Europe made it necessary to reduce production in the following months, which was reflected in the cost of unused production capacity recognized by the Company, amounting to PLN 36.4 million. In accordance with the accounting principles adopted by the Company, the costs of unused production capacity are recognized in the Profit and Loss Account under other operating expenses.

d) Monitoring of the market situation

On on-going basis the Company monitors market situation and the level of orders to be able to adjust its operations to the dynamically evolving market situation.

e) Monitoring of supply chain of materials and services

The company monitors the status of strategic supplies of raw materials and other materials, as well as 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, 2020, loans extended to Goodyear amounted to PLN 400 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.

The Company has taken steps to reduce the quantity and scope of ordered goods and services, thus reducing expenses, however, without any prejudice to further operation of the plant.

e) Taking advantage of the opportunities of support under the so-called Anti-Crisis Shield

The Company has made efforts to take advantage of the government support under the so-called Anti-Crisis Shield, and has received a subsidy of PLN 16 million from the Guaranteed Employee Benefits Fund for part financing to the wages and salaries of the personnel.

3. Continuation of sales and distribution activities

The Company continues its sales and distribution activities and is in close contact with its business partners. The company continues to supply its customers with tires and cooperates in developing the most optimal commercial solutions in dynamically evolving and uncertain market environment.

In the opinion of the Management Board, the data for 2020 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, uncertainty as to the further impact of the pandemic COVID-19 on the economy, industry, business partners of the Company and consumer behavior.

**21.2. Tax audit results**

In the current report No. 7/2020 published on April 24, 2020, the Management Board of Tire Company Dębica S.A. informed that it had received the result of a customs and tax inspection carried out by the Małopolska Customs and Tax Office in the scope of fulfilling the obligations of a corporate income tax payer for 2014 ("Control", "Control Result"). In the period covered by the Audit, the Company as a payer, pursuant to the Corporate Income Tax Act, benefited from the exemption from the obligation to collect withholding tax in relation to license fees under the technical assistance and licensing agreement (the conclusion of which was announced in the current report no. 2014, and the solution was announced on January 1, 2018 in the current report No. 2/2018). In the result of the inspection, it was found that the Company illegally used the withholding tax exemption. The company does not agree with the control results and believes that the use of the above-mentioned exemption was correct. Due to the divergent positions of the Company and the Customs and Tax Office, as a result of the completed Control, it is possible to initiate tax proceedings against the Company. In the event of an unfavorable outcome of the tax proceedings regarding the use of the exemption from the obligation to collect the source tax in the period covered by the above Control, the Company may be required to pay tax arrears in the amount of PLN 13.4 million together with interest for late payment, which as at the balance sheet of December 31, 2020 would amount to approx. PLN 6.5 million and these amounts would directly translate into the financial result of the Company.

In the current report No. 10/2020 published on May 18, 2020, the Management Board of Tire Company Dębica S.A. (the "Company") informed about the receipt of the result of a customs and tax inspection carried out by the Małopolska Customs and Tax Office in the scope of fulfilling the obligations of a corporate income tax payer for 2015 ("Control", "Control result"). In the period covered by the Audit, the Company as a payer, pursuant to the Corporate Income Tax Act, benefited from the exemption from the

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obligation to collect withholding tax in relation to license fees under the technical assistance and licensing agreement (the conclusion of which was announced in the current report no. 2014, and the solution was announced on January 1, 2018 in the current report No. 2/2018). In the result of the inspection, it was found that the Company illegally used the withholding tax exemption. The company, as in the case of the result of the inspection for 2014, about which it informed in the current report no. the dismissal was correct. Due to the divergent positions of the Company and the Customs and Tax Office, as a result of the completed Control, it is possible to initiate tax proceedings against the Company. In the event of an unfavorable decision of the tax proceedings regarding the use of the withholding tax exemption in the period covered by the Audit, the Company may be required to pay tax arrears in the amount of PLN 16.1 million together with interest for late payment, which as at the balance sheet of December 31, 2020 would amount to approx. PLN 6.9 million and these amounts would directly translate into the financial result of the Company.

Based on the opinion received from the tax advisor, and after receiving the results of the controls ending the customs and fiscal controls as regards the fulfilment of the Company's obligations as a flat-rate corporate income tax payer for 2014 and 2015, the Management Board decided not to create a provision for potential tax arrears resulting from the above-mentioned tax audits. As at the publication date of the financial statement, the Company has not received any decisions ending tax proceedings in the above scope.

### **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.

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

None.

**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 2020 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 2020, the Company extended four (4) short-term loans to Goodyear S.A. Luxembourg.

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

**Tire Company Dębica S.A.**

## Financial Statement for the accounting year 2020

Data in thousands of PLN

Agreement Date	14 Dec. 2018	28 Jun. 2019	27 Sep. 2019	3 Dec. 2019	13 Dec. 2019
maturity date (loan repayment)	13 Dec. 2019	26 Jun. 2020	25 Sep. 2020	3 Mar. 2020	1 Apr. 2020
contractual compensation	WIBOR 1M + 0.1%				
loan amount ('000 PLN)	40 000	115 000	70 000	25 000	35 000
interest realized in 2020 ('000 PLN)	25	989	669	105	204
principal of the loans as of 31 Dec. 2020 (in 000 PLN)	0	0	0	0	0
interest accrued as of 31 Dec. 2020 (in '000 PLN)	0	0	0	0	0

Agreement Date	13 Dec. 2019	26 Jun. 2020	25 Sep. 2020	11 Dec. 2020	15 Dec. 2020	Total
maturity date (loan repayment)	11 Dec. 2020	25 Jun. 2021	24 Sep. 2021	10 Dec. 2021	26 Feb. 2021	
contractual compensation	WIBOR 1M + 0.1%					
loan amount ('000 PLN)	105 000	115 000	120 000	105 000	60 000	
interest realized in 2020 ('000 PLN)	1 006	187	81	0	0	3 266
principal of the loans as of 31 Dec. 2020 (in 000 PLN)	0	115 000	120 000	105 000	60 000	400 000
interest accrued as of 31 Dec. 2020 (in '000 PLN)	10	34	36	21	9	110

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, 2020 totalled PLN 1 520 thousand (in 2019 this amount totalled PLN 2 214 thousand).

**Tire Company Dębica S.A.**

Financial Statement for the accounting year 2020

Data in thousands of PLN

**35. Information on transactions with related entities**

Transaction	Company name	2020	2019
Sale of finished products, goods, raw materials and semi-finished products	Goodyear Dalian Tire Company Ltd.	7 578	0
Sale of finished products, goods, raw materials and semi-finished products	Goodyear Malaysia Berhad	10	11
Sale of finished products, goods, raw materials and semi-finished products	Goodyear Dunlop Tires Germany GmbH	10 182	11 216
Sale of finished products, goods, raw materials and semi-finished products	Goodyear Dunlop Tires Operations S.A.	1 576 743	1 800 055
Sale of finished products, goods, raw materials and semi-finished products	Goodyear S.A.	2 440	6 517
Sale of finished products, goods, raw materials and semi-finished products	Goodyear Dunlop Sava Tires d.o.o.	701	364
Sale of finished products, goods, raw materials and semi-finished products	Goodyear France	479	669
Sale of finished products, goods, raw materials and semi-finished products	Goodyear Amiens	1 234	1 767
Sale of finished products, goods, raw materials and semi-finished products	Goodyear Lastikleri T.A.S.	2 993	2 579
Sale of finished products, goods, raw materials and semi-finished products	Goodyear South Africa LTD	325	582
Sale of finished products, goods, raw materials and semi-finished products	Goodyear do Brasil	733	755
Sale of finished products, goods, raw materials and semi-finished products	Goodyear De Colombia S.A	347	131
Sale of finished products, goods, raw materials and semi-finished products	Goodyear Canada INC	1 967	2 178
Sale of finished products, goods, raw materials and semi-finished products	Goodyear International Corporation	63	157
Sale of finished products, goods, raw materials and semi-finished products	Goodyear SLP S de RL de CV	107	0
Sale of finished products, goods, raw materials and semi-finished products	Goodyear Tire & Rubber Company	5 223	3 750
Sale of finished products, goods, raw materials and semi-finished products	Goodyear India Limited	0	3
Sale of intra-group services	Goodyear Dunlop Tires Germany GmbH	1 493	1 694
Sale of intra-group services	Goodyear Hungary Kft.	2	2
Sale of intra-group services	Goodyear Czech s.r.o.	22	22
Sale of intra-group services	Goodyear Tires Netherlands	134	138
Sale of intra-group services	Goodyear Belgium	23	24
Sale of intra-group services	Goodyear Dunlop Tires Operations S.A.	13 804	8 022
Sale of intra-group services	Goodyear Mounting Solutions SA	0	59
Sale of intra-group services	Goodyear Romania S.R.L.	9	9
Sale of intra-group services	Goodyear Slovakia s.r.o.	11	11
Sale of intra-group services	Goodyear Tyres UK Limited	5	5
Sale of intra-group services	Goodyear Dunlop Sava Tires d.o.o.	11	586
Sale of intra-group services	Goodyear Polska Sp. z o.o.	2 438	2 441
Sale of intra-group services	Goodyear France	90	0
Sale of intra-group services	Goodyear Amiens	24	0
Sale of intra-group services	Goodyear South Africa LTD	269	3

## Tire Company Dębica S.A.

Financial Statement for the accounting year 2020

Data in thousands of PLN

Sale of intra-group services	Goodyear S.A.	37	134
Sale of intra-group services	Goodyear Lastikleri T.A.S.	0	182
Sale of intra-group services	Goodyear Tire & Rubber Company	0	76
Purchase of goods, raw materials, semi-finished products	Goodyear Orient Co PTE LTD	188 287	196 630
Purchase of goods, raw materials, semi-finished products	Goodyear Dunlop Tires Germany GmbH	81	44
Purchase of goods, raw materials, semi-finished products	Goodyear Dunlop Tires Operations S.A.	219 155	227 458
Purchase of goods, raw materials, semi-finished products	Goodyear S.A.	7 590	20 420
Purchase of goods, raw materials, semi-finished products	Goodyear Lastikleri T.A.S.	10	487
Purchase of goods, raw materials, semi-finished products	Goodyear Tire & Rubber Company	15 745	60 868
Purchase of goods, raw materials, semi-finished products	Goodyear Dunlop Sava Tires d.o.o.	0	9
Purchase of intra-group services	Goodyear Dunlop Tires Operations S.A.	42	0
Purchase of intra-group services	Goodyear S.A.	1 237	1 680
Purchase of intra-group services	Goodyear Dunlop Sava Tires d.o.o.	475	433
Purchase of intra-group services	Goodyear Polska Sp. z o.o.	5 721	5 721
Purchase of tangible fixed assets	Goodyear Dunlop Tires Germany GmbH	11	173
Purchase of tangible fixed assets	Goodyear Dunlop Tires Operations S.A.	2 418	940
Purchase of tangible fixed assets	Goodyear S.A.	32 212	41 218
Purchase of tangible fixed assets	Goodyear Dunlop Sava Tires d.o.o.	162	0
Purchase of tangible fixed assets	Goodyear Lastikleri T.A.S.	388	1 051
Purchase of tangible fixed assets	Goodyear Tire & Rubber Company	381	1 283
Sale of tangible fixed assets	Goodyear Dunlop Tires Operations S.A.	888	2 040
Sale of tangible fixed assets	Goodyear Lastikleri T.A.S.	862	838
Sale of tangible fixed assets	Goodyear S.A.	81	0
Sale of tangible fixed assets	Goodyear South Africa LTD	0	94
Revenue from financial instruments	Goodyear S.A.	2 879	4 187

**Tire Company Dębica S.A.**

Financial Statement for the accounting year 2020

Data in thousands of PLN

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

<b>Leszek Szafran</b>	President of the Management Board, Chief Commercial Officer (CCO)	_____
<b>Ireneusz Maksymiuk</b>	A Management Board member, Chief Financial Officer (CFO)	_____
<b>Michał Mędrek</b>	A Management Board member, Chief Logistics Officer (CLO)	_____
<b>Mirosław Maziarka</b>	A Management Board member, Chief Production Officer (CPO)	_____

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

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