



oponeo



# Activity Report of the Management Board for 2022

05.04.2023

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## LETTER OF THE PRESIDENT OF THE MANAGEMENT BOARD

Ladies and Gentlemen,

I have the pleasure to provide you with the annual report on the activities of the OPONEO.PL Group and OPONEO.PL S.A. for 2022. It was another good year for the Group, as evidenced by sales and financial results, despite the challenges posed by the armed conflict at our borders and its effects on the market environment

Over the last few years, the e-commerce market has been growing dynamically and consequently our Group operating in this market is also expanding and developing rapidly. Positive customer experience and habits in terms of remote purchases, strengthen the position of individual Companies in the market and drive their growth. The annual systematic growth of online trade affects the entire industry, with its worth exceeding PLN 109 billion in 2022. The OPONEO.PL Group participates in this growth by increasing the value and market recognition of its brands.

In 2022, we strengthened the position of the OPONEO.PL brand on the tyre sales market and generated the total consolidated net profit of PLN 42 281 thousand. Despite the fact that 2022 saw record high inflation, high interest rates and a considerable increase in costs, we maintained our margins at a good level, generating a substantial profit for our Shareholders.

Group revenue reached the amount of PLN 1,695,103 thousand, increasing by 11.9% YoY, exceeding new levels not recorded before.

We generated revenue of PLN 1,437,792 thousand from sales of car accessories, which accounted for 84.8% of the Group's total sales revenue. In 2022, we sold 4,150.9 thousand tyres and 167.1 thousand rims in Poland and abroad.

We generated the revenue of PLN 1,380,451 thousand on trade on the Polish market, up by 12.5%. Domestic revenues accounted for 81.4% of OPONEO.PL Group's total sales revenues. Sales in foreign markets increased by 9.5% and amounted to PLN 314,652 thousand.

Although the main segment of our business is the sale of tyres and rims and car accessories, we are continuously expanding sales in other segments.

The good trading performance in individual segments results, among other things, from the high quality of our services and very broad basic product range offered. Customer feedback and opinions collected by the Oponeo portal confirm the quality. In 2022, our shops operating in all segments, occupied the top position in the e-commerce service quality ranking. The Oponeo.pl store in the Automotive category, Centrumrowerowe.pl in the Sport category and Narzedzia.pl in the Garden category.

Our subsidiary, Dadelo S.A., operating in the bicycle segment, increased its revenues by 41.5% in 2022, closing the year with the amount of PLN 117,201 thousand. Dadelo S.A. is capitalising on the dynamic growth in the bicycle market, strengthening its position and building brand awareness among customers.

ROTOPINO.PL S.A. operating in the tools segment, is also developing its regular customer base, constantly increasing the range of products offered. Despite unfavourable trends in the construction industry which correlates with the company profile, ROTOPINO.PL S.A. maintained sales at a level similar to the previous year, closing 2022 with revenues of PLN 126,922 thousand.

The passing year has shown that the Group's chosen direction and development strategy is effective and produces tangible results. Sustained changes in consumer shopping trends reinforce the growth and development of the e-commerce market in Poland, Europe and worldwide. With a sound background represented by the know-how of a skilled workforce, developed logistics facilities and a stable and healthy financial position of the Group, we look to the future with confidence, building value for our Shareholders.

Despite the macroeconomic environment which is currently not very favourable, we believe that the current year, 2023 will allow to maintain the highest possible levels of sales and profitability in order to maximise results. Balanced and successive growth in all segments of the Group's operations will allow us to reduce seasonality and achieve economies of scale in the future by developing the Group as a whole.

I would like to express my sincere gratefulness to all stakeholders of the OPONEO.PL Group, our customers, contractors and employees who have contributed to the development of the Group and I have the pleasure to invite you to read the Annual Report for 2022.

Yours sincerely,

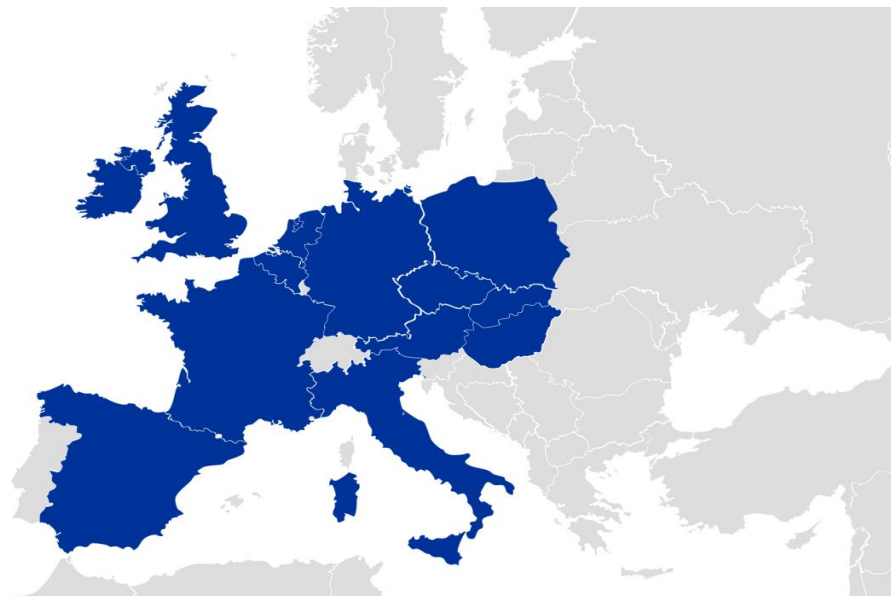
*Dariusz Topolewski*

President

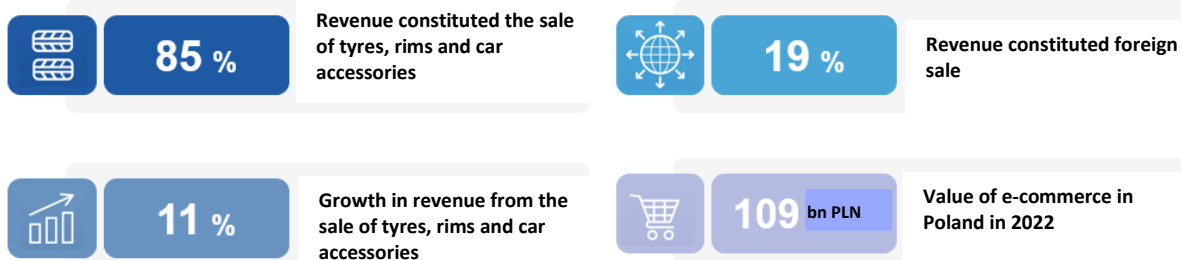
of the Management Board

## ABOUT OPONEO.PL GROUP

The OPONEO.PL Group is the leader in online tyre sales in Poland.  
It is already present in **13** countries in Europe.



In 2022, the OPONEO.PL Group generated revenue of PLN 1,695,103 thousand, which represented a growth of 11.9% compared to 2021.



The Company debuted on the WSE in 2007, with a capitalisation of PLN 500.3 million as at 31 December 2022.

The OPONEO.PL Group systematically improves its financial results, which translates into regular dividend payments to shareholders.

#### Condensed information on the financial results of OPONEO.PL Group for 2008-2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Income in PLN million	1,695	1,515	1063	962	843	708.5	545.8	416.5	322.7	259.1	207.1	171	144.1	85.7	94.3
Profit/loss on sales (PLN m)	334.7	309.1	217.2	187	161.9	131.4	95.5	72.3	53	39.6	33.6	32	27.7	12.5	5.5
Result on operating activities in PLN million	63.3	79.5	36.9	28.7	24.4	15.5	23.6	11.2	4.4	4.2	-1.1	6.2	9.4	1.7	6.7
Gross result in PLN million	52.7	78.5	34.8	30.3	24	21.3	26.7	10.9	4.7	3.7	2	10	9.5	2.5	7.5
Net result in PLN million	42.3	62.8	32.1	20.2	16.4	17.5	15.9	10.3	4.2	3.4	1.4	7.5	7.4	1.9	6
Earnings per share in PLN	2.92	4.32	2.3	1.45	1.2	1.2	1.14	0.74	0.3	0.24	0.1	0.57	0.59	0.15	0.47
Dividend paid per share in PLN (in a given year from previous year's profit)	1.36	1.00	0.1	0.4	0.35	0.2	0.1	0.05	0.03	0.03	0.2	0	0.01	0	0.1

## SELECTED FINANCIAL DATA

Selected financial data for OPONEO.PL Group	in PLN thousand		in EUR thousand	
	01.01.2022-31.12.2022	01.01.2021-31.12.2021	01.01.2022-31.12.2022	01.01.2021-31.12.2021
Net revenues on sales of products, goods and materials	<b>1,695,103</b>	<b>1,514,546</b>	<b>361,560</b>	<b>330,868</b>
Profit (loss) on sales	334,651	309,119	71,380	67,530
Operating profit (loss)	63,265	79,473	13,494	17,362
Gross profit (loss)	52,677	78,486	11,236	17,146
<b>Net profit (loss)</b>	<b>42,281</b>	<b>62,826</b>	<b>9,018</b>	<b>13,725</b>
Net profit (loss) attributable to shareholders of the parent company	40,680	60,169	8,677	13,145
Net cash flows from operating activities	-19,368	96,404	-4,131	21,060
Net cash flows from investing activities	-28,875	-22,205	-6,159	-4,851
Net cash flows from financial activities	-36,270	80,894	-7,736	17,672
Total net cash flows	<b>-84,513</b>	<b>155,093</b>	<b>-18,026</b>	<b>33,882</b>
<b>Total Assets</b>	<b>687,499</b>	<b>618,708</b>	<b>146,591</b>	<b>134,519</b>
Liabilities and provisions for liabilities	323,238	268,212	68,922	58,315
Long-term liabilities	98,380	35,064	20,977	7,624
Short-term liabilities	224,858	233,148	47,945	50,691
<b>Equity</b>	<b>364,261</b>	<b>350,496</b>	<b>77,669</b>	<b>76,205</b>
Share capital	13,936	13,936	2,971	3,030
<b>Number of shares (pcs.)</b>	<b>13,936,000</b>	<b>13,936,000</b>	<b>13,936,000</b>	<b>13,936,000</b>
Profit (loss) per one ordinary share (in PLN/EUR)	2.92	4.32	0.62	0.94
Diluted profit (loss) per ordinary share (in PLN/EUR)	2.92	4.32	0.62	0.94
Carrying amount per share (in PLN/EUR)	26.14	25.15	5.57	5.47
Diluted carrying amount per share (in PLN/EUR)	26.14	25.15	5.57	5.47

Selected financial data for OPONEO.PL S.A.	in thousand PLN		in thousand EUR	
	01.01.2022-31.12.2022	01.01.2021-31.12.2021	01.01.2022-31.12.2022	01.01.2021-31.12.2021
Net revenues on sales of products, goods and materials	<b>1,403,004</b>	<b>1,259,058</b>	<b>299,256</b>	<b>275,054</b>
Profit (loss) on sales	269,289	252,316	57,439	55,121
Operating profit (loss)	59,249	68,572	12,638	14,980
Gross profit (loss)	49,990	66,967	10,663	14,630
Net profit (loss)	<b>40,510</b>	<b>53,928</b>	<b>8,641</b>	<b>11,781</b>
Net cash flows from operating activities	-5,936	125,912	-1,266	27,507
Net cash flows from investing activities	-25,053	-5,120	-5,344	-1,119
Net cash flows from financial activities	-30,271	4,032	-6,457	881
Total net cash flows	<b>-61,260</b>	<b>124,824</b>	<b>-13,067</b>	<b>27,269</b>
<b>Total Assets</b>	<b>555,801</b>	<b>490,345</b>	<b>118,510</b>	<b>106,611</b>
Liabilities and provisions for liabilities	287,888	237,243	61,385	51,581
Long-term liabilities	92,980	30,002	19,826	6,523
Short-term liabilities	194,908	207,241	41,559	45,058
<b>Equity</b>	<b>267,913</b>	<b>253,102</b>	<b>57,126</b>	<b>55,029</b>
Share capital	13,936	13,936	2,971	3,030
<b>Number of shares (pcs.)</b>	<b>13,936,000</b>	<b>13,936,000</b>	<b>13,936,000</b>	<b>13,936,000</b>
Profit (loss) per one ordinary share (in PLN/EUR)	2.91	3.87	0.62	0.85
Diluted profit (loss) per ordinary share (in PLN/EUR)	2.91	3.87	0.62	0.85
Carrying amount per share (in PLN/EUR)	19.22	18.16	4.10	3.95
Diluted carrying amount per share (in PLN/EUR)	19.22	18.16	4.10	3.95

The following exchange rates were used to convert the data presented into EUR:

1. For items of the statement of comprehensive income and statement of cash flows:
  - 4.6883 - the rate calculated as the average of the NBP rates in force on the last day of each month of 2022,
  - 4.5775 - the rate calculated as the average of the NBP rates in force on the last day of each month of 2021,
2. For items of the statement of financial position:
  - 4.6899 - NBP exchange rate of 31 December 2022,
  - 4.5994 - NBP exchange rate of 31 December 2021,

# 1. MACROECONOMIC SITUATION AND THE E-COMMERCE SECTOR



## 1. MACROECONOMIC SITUATION AND THE E-COMMERCE SECTOR

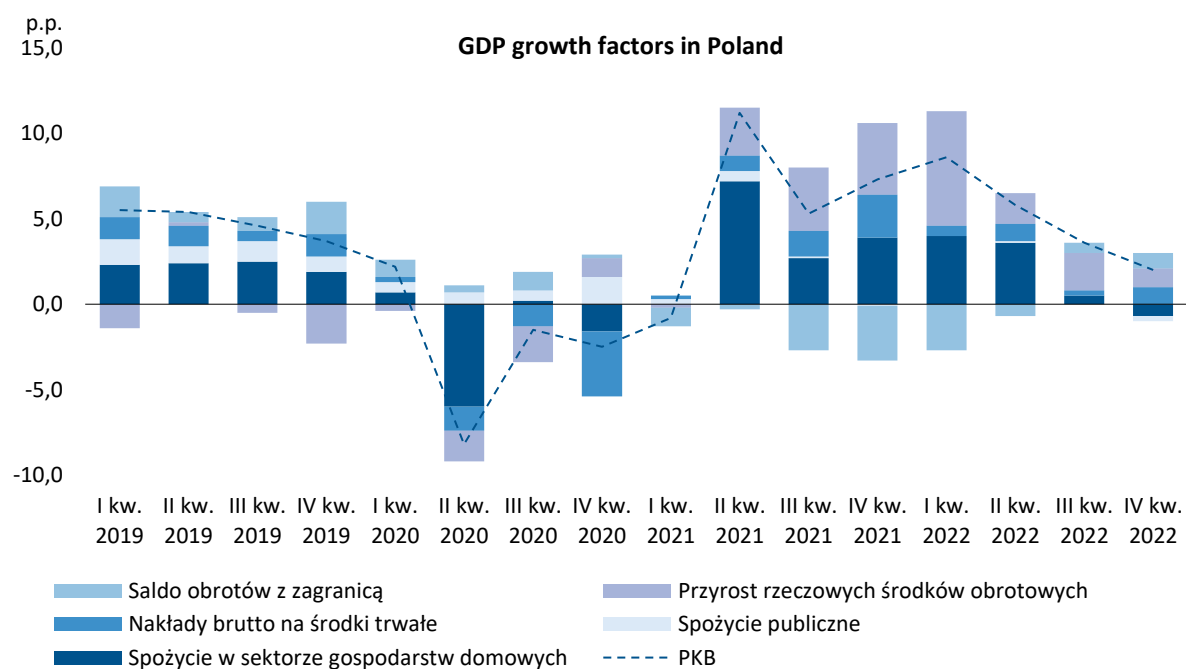
### 1.1. ECONOMIC GROWTH RATE

According to preliminary estimates of Statistic Poland (GUS), the value of GDP in Poland in 2022 was 4.9% higher in real terms compared to the previous year.<sup>1</sup> This was a poorer performance compared to 2021, when the economy grew at a rate of 6.8% (at constant previous year's prices). Gross domestic product growth in 2022 in Poland was higher than in the European Union.

On the basis of the available data, Statistics Poland estimated the following growth rates for gross value added in 2022, compared to 2021:

- in the national economy - an increase of 4.6% (compared to the increase of 6.6% in 2021);
- in industry - an increase of 7.0% (compared to the increase of 2.8% in 2021);
- in construction - an increase of 4.5% (compared to the increase of 5.3% in 2021);
- in trade and repair - an increase of 2.0% (compared to the increase of 9.0% in 2021).

Despite an unfavourable external economic situation, related to the war in Ukraine and more expensive raw materials, domestic demand in 2022 grew by 5.5% in real terms (in 2021 it grew by 8.4%). Growth in total consumption has also decelerated to 2.1%, compared to 2021 when an increase of 5.9% was recorded. Household sector consumption in 2022 settled at a growth rate of 3.0%, up from 6.3% in 2021.



Saldo obrotów z zagranicą	Foreign trade balance
Nakłady brutto na środki trwałe	Gross fixed capital formation
Spożycie w sektorze gospodarstw domowych	Household consumption
Przyrost rzeczowych środków obrotowych	Increase in tangible current assets
Spożycie publiczne	Public consumption
PKB	GDP

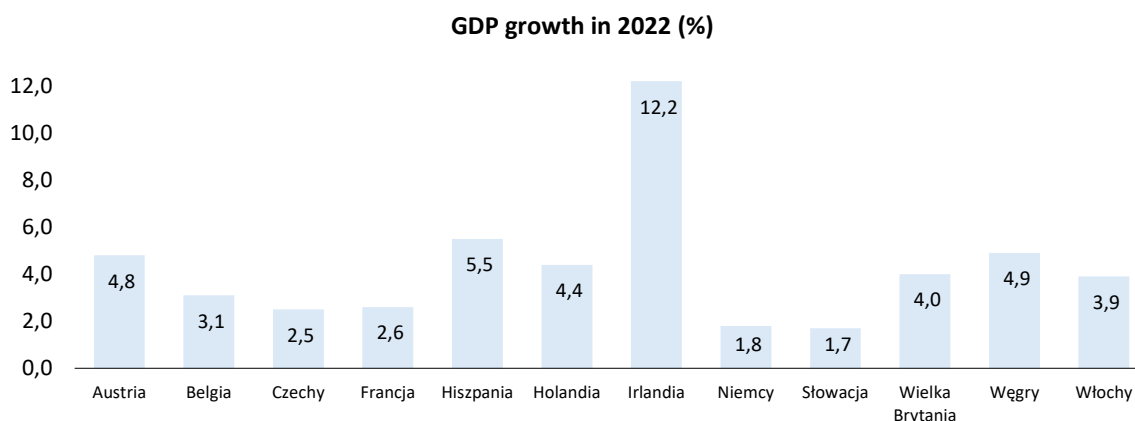
<sup>1</sup> Source of GUS data, Gross domestic product in 2022 - preliminary estimate, [stat.gov.pl/obszary-tematyczne/rachunki-narodowe/roczne-rachunki-narodowe/produkt-krajowy-brutto-w-2022-roku-szacunek-wstepny,2,12.html], January 2023.

In 2022, expenditure on tangible fixed assets increased and the rate of investment in the national economy remained at a relatively high level. Gross expenditure on tangible fixed assets in 2022 compared to the previous year increased by 4.6% (compared to the 2.1% growth in 2021). The investment rate in the national economy (the ratio of gross expenditure on tangible fixed assets to gross domestic product at current prices) in 2022 reached 16.8% (in 2021, it amounted to 17.0%)

According to data provided by the Statistics Poland (GUS), the registered unemployment rate at the end of December 2022 was 5.2%, up from 5.8% at the end of December 2021. The number of the registered unemployed at the end of December 2022 amounted to 812.3 thousand compared to 895.2 thousand at the end of 2021.<sup>2</sup>

2022 was marked by rising inflation, driven by increases in prices of energy carriers and food. The embargo on raw materials from Russia and the continuing war in Ukraine had a negative impact on gas and oil prices across Europe. According to GUS estimates, the rise in consumer prices in December 2022 was 16.6% compared to the same period of the preceding year. In the entire 2022, the average annual inflation reached 14.4%<sup>3</sup>, up from 5.1% in 2021. This means that in 2022, consumer prices have recorded the fastest growth rate since 1997. The major contributors to such a high inflation rate in 2022 included increases in prices of fuel (104.1%), energy carriers (32.5%), gas (39.3%) and food (16.0%).

According to the first annual estimate published by Eurostat, GDP for the European Union as a whole for 2022 increased by 3.6% while in the euro area by 3.5%.<sup>4</sup> The GDP growth rate in the other countries where the OPONEO.PL Group operates was as follows:



Sources: Eurostat, [ec.europa.eu] (EU) and Office for National Statistics, [ons.gov.uk] (United Kingdom)

Austria	Belgium	Czechia	France	Spain	Netherlands	Ireland	Germany	Slovakia	UK	Hungary	Italy
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<sup>2</sup> Source of GUS data, [stat.gov.pl/obszary-tematyczne/rynek-pracy/unemployment-registered/unemployed-registered-and-unemployment-status-in-koncu-grudnia-2022-r-,2,125.html], January 2023.

<sup>3</sup> Source of GUS data, Annual consumer price indices, [stat.gov.pl/obszary-tematyczne/ceny-handel/wskazniki-cen/wskazniki-cen-towarow-i-uslug-konsumpcyjnych-pot-inflation-/roczny-wskazniki-cen-towarow-i-uslug-konsumpcyjnych/], January 2023.

<sup>4</sup>Source: EUROSTAT, [ec.europa.eu/eurostat/documents/2995521/16056034/2-14022023-AP-EN.pdf], February 2023.

In December 2022, the HICP inflation rate in the European Union reached 10.4%.<sup>5</sup> Inflation in the EU reached its highest level since 2008. Inflation has risen sharply in Europe since late 2021, with economies across the continent experiencing the highest inflation rates over decades. Among EU member states, the highest inflation rate was recorded in Hungary, with the inflation rate of 25% in December 2022. Another 15 Member States also recorded double-digit inflation rates in this month. The lowest increase in prices occurred in Spain, where the index reached a value of approximately 5.5% in December.<sup>6</sup> Food and non-alcoholic beverages recorded the highest price increases, reaching the 17.8% growth in December 2022.<sup>7</sup> A number of factors have contributed to the overall price increase, resulting in a noticeable rise in prices across Europe. Although the demand side of the economy has recovered fairly quickly from the constraints caused by the pandemic, global supply chains have yet to catch up. The bottlenecks created especially after Russia's invasion of Ukraine in February 2022 have caused energy and food prices to rise dramatically. Since March 2022, energy prices in the European Union have risen by 40.2% and food prices by 5.9%. Observing economies worldwide at present, it can be stated that high inflation is a global problem in 2022. Both the United States and the United Kingdom have also seen their record high price growth rates over the years. If high inflation persists over the long term, combined with low economic growth and rising unemployment, it could lead to a period of stagflation as last seen in the early 1980s.

## 1.2. FINANCIAL MARKET

2022 saw a record high inflation rate for many years. Both in Poland and across Europe, price growth rates have forced central banks to respond by introducing restrictive monetary policies. Successive increases of interest rates in individual European countries significantly increased the price of money on the market, which started to have a direct impact on the reduction of investment by companies. The growth of interest rates has been experienced most acutely by borrowers using long-term loans bearing a floating interest rate, i.e. it affects primarily consumers repaying mortgage loans. Instalments of mortgage loans more than doubled in 2022. This means an acute increase in household spending on debt repayment, at the same time reducing the budget for consumption and other essential expenditure. In addition to increasing the credit burden for existing borrowers, rising interest rates have directly resulted in a significant reduction in the creditworthiness of new potential bank customers. Data from the Credit Information Bureau (BIK) shows that in December 2022 alone, the number of loan applications for mortgages, fell by approximately 63% compared to the same period a year ago. The outflow of credit customers adversely affects the housing market, the growth of which slowed in the last year.

In 2022, the Monetary Policy Council decided on eight interest rate increases. The last increase took place on 8 September 2022, when the rates were set at the following levels: reference rate: 6.75%, Lombard rate: 7.25%, deposit rate: 6.25%.<sup>8</sup> Rising base interest rates is directly linked to the NBP's efforts to curb rapid price increases. It is currently difficult to make predictions regarding further decisions by the monetary authorities, since this depends on the developments in inflation in the successive months.

2022 can hardly be considered a successful year on the stock markets. The main stock indices in Poland and in Europe recorded significant declines. The broad market index on the Polish stock exchange, WIG recorded a decline of 17.08%. The medium-sized company index, sWIG80 closed the year with a better result, falling by 12.76%, while the blue chip Polish market index, WIG20 recorded

<sup>5</sup> Source: Statista, Harmonized index of consumer prices (HICP) inflation rate of the European Union [[www.statista.com/statistics/685943/cpi-inflation-rate-europe/](https://www.statista.com/statistics/685943/cpi-inflation-rate-europe/)], January 2023.

<sup>6</sup> Source: Statista, [[www.statista.com/statistics/225698/monthly-inflation-rate-in-eu-countries/](https://www.statista.com/statistics/225698/monthly-inflation-rate-in-eu-countries/)], January 2023.

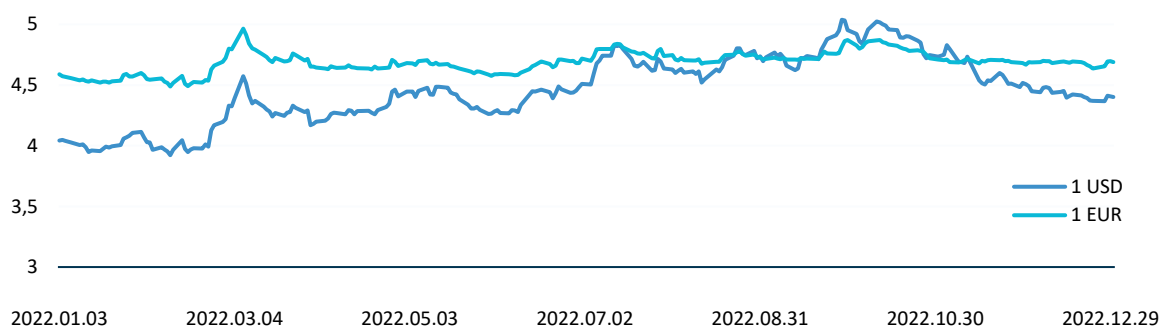
<sup>7</sup> Source: Statista, [[www.statista.com/statistics/1242125/inflation-rate-eu-by-sector/](https://www.statista.com/statistics/1242125/inflation-rate-eu-by-sector/)], January 2023.

<sup>8</sup> Source: NBP, [[www.nbp.pl/home.aspx?f=/dzienne/stopy\\_archiwum.htm](https://www.nbp.pl/home.aspx?f=/dzienne/stopy_archiwum.htm)], December 2022.

a decline of 20.95%.<sup>9</sup> In 2022, companies faced rising costs for raw materials, energy, transport and wages. Companies' results were also affected by interest rate rises increasing financing costs. Shares listed in Warsaw were also not supported by the ongoing war in Ukraine. In this case, the apparent correlation is that the closer the stock market is to the armed conflict, the poorer the performance and the greater the risk aversion of investors. The war in Ukraine also directly affected the financial results of companies that operated on the Russian market and had to limit their activities in Russia, due to the sanctions imposed against this country.

The external and internal economic situation, as well as the geopolitical environment triggered quite a considerable exchange rate changes in 2022. Although, at the end of the year, the zloty depreciated by only 8.9% against the US dollar and by 2.2% against the euro, throughout the year the change in the exchange rate against these currencies was much higher, with a maximum of almost 25% in the case of the dollar and over 8% in the case of the euro. At the end of the year, the zloty recovered some of its losses, but still remains weak against the major currencies, due to negative real interest rates in Poland as well as the unfavourable external environment.

Quotations of the zloty against major currencies



Source: NBP

As at 31 December 2022, the exchange rates of the major currencies to the zloty recorded the following levels<sup>10</sup>:

- CHF/PLN exchange rate - 4.7679
- GBP/PLN exchange rate - 5.2957
- USD/PLN exchange rate - 4.4018
- EUR/PLN exchange rate - 4.6899

<sup>9</sup>Source: Association of Individual Investors, [www.sii.org.pl/16018/analizy/newsroom/polskie-indeksy-w-swiatowym-ogonie-w-2022-r-krolowie-inflacji-na-czele.html]

<sup>10</sup> Source: NBP, [www.nbp.pl/home.aspx?f=/kursy/arch\_a.html], December 2022.

### 1.3. AUTOMOTIVE MARKET

According to the CEPIK (Central Register of Vehicles and Drivers) database, 1.62 million<sup>11</sup> vehicles were registered in Poland in 2022, compared to 1.85 million registered the previous year, down by 12.4%. Data presented by the Polish Automotive Industry Association on new car registrations in Poland, show a downward trend in the number of registrations in 2022. The register shows that 419.7 thousand pcs<sup>12</sup> of new passenger cars will be registered throughout 2022, compared to 446.6 thousand pcs of the previous year, which means that we now face a 6% decrease. Individual customers registered 121.6 thousand vehicles, compared to 115.6 thousand in the previous year (up by 5.2%), while 298.2 thousand cars were registered under Regon (company cars), compared to 331.0 thousand in 2021 (down by 9.9%). Despite a YoY decline in the total number of new passenger car registrations, the final months of 2022 show a positive trend. In the passenger car group, an increase of 2% (709 pcs) was recorded in the number of cars registered in December 2022 compared to December 2021 and an increase of 7.8% (2,676 pcs) compared to November 2022. Moreover, December was the fifth consecutive month when the number of new passenger cars registered increased. Car availability and production volumes in 2022 were affected by limited access to manufactured semi-conductors, as well as parts produced in Ukraine. The war across the eastern border has also caused problems related to deliveries of cars already finished to dealers.

Unfortunately, imports of second-hand cars also saw a decline. The report published by the SAMAR Automotive Market Research Institute shows that 705.6 thousand second-hand passenger cars were imported to Poland in 2022, which means a decrease of 17.8%<sup>13</sup> compared to the previous year. At the same time, the record of the average age of imported passenger cars, which exceeded 13 years in 2022, was broken.

### 1.4. TYRE MARKET

The report published by the European Tyre and Rubber Manufacturers' Association (ETRMA) states that 225.8 million<sup>14</sup> replacement passenger car tyres were sold in Europe in 2022, a YoY decline of 2%. A slight increase was recorded in the truck tyre segment (+1%) while motorbike tyre sales were stood at the same level as in 2021. The agricultural tyre segment experienced a 22% decrease. At the same time, the report shows a 6% increase in sales of all-season tyres, with a 6% decline in sales of winter tyres and the same decrease in sales of summer tyres. On the other hand, 4% less passenger car tyres were sold in Poland compared to 2021, but it should be kept in mind that ETRMA reports sales figures for the sell-in market.

Figures published by the Polish Tyre Industry Association on tyre sales on the market also confirm the decline in sales in Poland. Sales of tyres for passenger cars in 2022 fell by 4%<sup>15</sup>, while for trucks it remained at 2021 levels. Agricultural tyres also recorded a decline of 17%. Only the motorbike tyre segment recorded a growth of 4.8%. Sales of summer tyres increased by 6.5% and all-season tyres by 5.0%, while sales of winter tyres fell by 7.5%.

### 1.5. MARKET OF TOOLS AND DIY

The tool industry is correlated with the housing construction sector, therefore trends prevailing in the construction market are important. According to the preliminary data published by Statistics

<sup>11</sup> Source: CEPIK, [www.cepik.gov.pl/statystyki], January 2023.

<sup>12</sup>Source: PZPM, [www.pzpm.org.pl/Rynek-motoryzacyjny/Rejestracje-Pojazdow/Rejestracje-samochody-osobowe-i-dostawcze/Rok-2022/Grudzien-2022r]

<sup>13</sup>Source: SAMAR, [www.samar.pl/\_/3/3.a/116481/3.sc/11/Import-w-grudniu-2022-roku---import-spada-wiek-%C5%9Bbrubuje-rekord--nowy-lider.html?locale=pl\_PL]

<sup>14</sup>Source: ETRMA, [www.etrma.org/wp-content/uploads/2023/01/ETRMA-press-release\_19012022.pdf]

<sup>15</sup>Source: PZPO, [pzpo.org.pl/aktualnosci/sprzeda%C5%BC-opon-w-2022-roku.html]

Poland, the number of dwellings completed in 2022 amounted to 238.6 thousand<sup>16</sup> dwellings, which means an increase of 1.7% compared to 2021. The number of housing units commissioned by developers reached 143.8 thousand (up by 1.3% YoY), while private investors completed 91.0 dwellings (up by 3.2% YoY). Although the number of dwellings completed is the highest since 1979, the decline in the number of investment projects launched and building permits issued raises concerns. In 2022, construction of 200.3 thousand dwellings was launched, i.e. 27.8% less than the previous year, while the total number of permits issued or construction notifications submitted amounted to 297.4 thousand dwellings, down by 12.8%. Developers started to reduce new construction projects due to the rising cost of building materials and the decreasing number of customers able to buy housing for a loan. Despite the rising prices of building materials (by 25% on average<sup>17</sup> during the year), in 2022 Poles continued renovation work and completed construction projects started earlier, although a slowdown in market demand was noticeable in the second half of 2022. The main determinants of the situation included the persistently high inflation and growing energy risks, as well as a weakening of the supply side of the housing market in terms of new developments. Lower consumer activity has prompted producers to ease their pricing strategies partially. The consequence was a slowdown of the increase in prices of materials and tools and consequently, distributors tightened up their purchasing policy, focusing on improving inventory management and shortening product turnover periods. A focus on expanding and diversifying the product range and seeking new sources of supply to ensure the continued availability of key products has also become apparent. The slowdown in the renovation and construction tools segment affected the growth of products in the home and garden category in the sales structure of the subsidiary, Rotopino.pl S.A.

## 1.6. BICYCLE MARKET

The bicycle market recorded a significant growth throughout 2022. The subsidiary, Dadelo S.A. also participated in the market growth, increasing YoY revenues by more than 41.5%. Despite the earlier turbulences related to the supply of components and the increase in the price of imported parts, the second part of the year made it possible to offset some of the inconvenience in the production and supply area. Declining maritime transport prices and the increased capacity of factories in the Far East stabilised prices and increased retail sales. In particular, 2022 has shown that distributors with the adequate product mix and a well-organised logistics process have an advantage in the market. Rising inflation has undoubtedly affected the purchasing decisions of some groups of consumers, particularly recreational cyclists, who reduced purchases or postponed them.

Over the recent years, consumer awareness of the positive impact of cycling on the environment has been growing. September 2022 marks twenty years since the European Commission launched the European Sustainable Transport Week (ESTW), promoting alternative modes of transport and reducing air pollution levels. The subsidiary, Dadelo S.A. (CentrumRowerowe.pl), actively joined the campaign by organising a nationwide action. An additional element supporting the growth of the cycling industry is the increase in physical activity of the population and care for health. The change in health-oriented habits accompanied by increasing prices of fuel and traditional transport, is a driving force for many people to buy a traditional or electric bicycle. The market has seen an increased interest and growth in sales volumes of electric bicycles. In Poland, unfortunately, institutional support capable of accelerating the transport transformation along the lines of some

<sup>16</sup> Data source - GUS: [stat.gov.pl/obszary-tematyczne/przemysl-budownictwo-srodki-trwale/budownictwo/housing-construction-in-period-st-January-December-2022-year,5,134.html], January 2023

<sup>17</sup> Source: PSB Group, [www.grupapsb.com.pl/centrum-prasowe/trendy-cenowe/trend/zmiany-cen-materialow-budowlanych-oraz-do-domu-i-ogrodu-w-grudniu-i-za-12-miesiecy-2022-r.html]

European countries is missing. It can be seen that new users of electric bicycles are spending more money (the average price is increasing) and are riding their bicycles more and for a longer time, including during periods of poorer weather. This translates into an increased demand for specialised clothing, helmets and other cycling accessories.

### 1.7. E-COMMERCE MARKET

#### Market growth rate in Europe

The benefits of e-commerce are recognised not only by customers or retailers, but also by economists. According to them, the growth of e-commerce is inextricably linked to the development of innovation and digitalisation. The quick ability to compare the quality and price of products on sale affects the price of goods. This provides benefits to the market in terms of increased competitiveness and transparency and ease of competition monitoring. The Covid-19 pandemic has provided a major development boost to the e-commerce market, which has been growing at a rate of several per cent per year. This is confirmed by data published by companies monitoring the e-commerce market.

According to the European E-commerce Report 2022, B2C trade turnover in Europe in 2022 is expected to reach approximately EUR 1,000 billion. Western Europe continues to be the leader in terms of the share of B2C e-commerce turnover in Europe, consistently delivering over 60%<sup>18</sup> of total turnover. According to the report, inhabitants of Iceland (100%), Norway (100%) and Denmark, Ireland and Luxembourg (99%) have the highest internet access. On the other hand, the highest levels of electronic customers are recorded in the Netherlands (94%), Denmark (92%) and Norway (92%). In contrast, the lowest percentage of online shoppers is found in Bosnia and Herzegovina (39%), Albania (38%) and Montenegro (32%). These countries also record some of the lowest internet access rates. Across Europe, the percentage of internet users who purchased goods or services online has exceeded 75%. The highest number of internet users executing a minimum of six shopping transactions in three months is recorded in Iceland (61%), Malta (54%) and Ireland (48%).

The fashion and convenience of online shopping will gradually increase the share of active e-commerce customers in the coming years. According to medium-term forecasts, the remote shopping market will grow by approximately 11% per year until 2026.<sup>19</sup> Although the long-term outlook for the European B2C e-commerce sector remains positive, the industry is expected to face a drag on growth due to rising inflation and the increasing cost of living in the short term. Consumers reduced spending on retail purchases, resulting in a sharp drop in revenue of retailers in the region during the 2022 end-of-year shopping season. This trend is expected to continue in H1 2023.

#### E-commerce market in Poland

Analysts of PWC consulting firm estimate that the value of the Polish e-commerce market in 2022 will amount to approximately PLN 109 billion.<sup>20</sup> The persistence of consumer behaviours and habits acquired during the pandemic allows to believe that the upward trend in the e-commerce market will continue in the forthcoming quarters and years. Companies operating in the e-commerce area have been increasing their online sales volumes for a longer time, while new online shops and marketplaces additionally appear. Besides the platforms already present on the Polish market, new players who decided to enter our market continue major expansion which has accelerated the development of online retailers' competition.

<sup>18</sup> Source: Ecommerce Europe, [ecommerce-europe.eu/wp-content/uploads/2022/06/CMi2022\_FullVersion\_LIGHT\_v2.pdf]

<sup>19</sup> Source: Yahoo Finance, [finance.yahoo.com/news/europe-b2c-e-commerce-market-113000032.html]

<sup>20</sup> Source: Strategy& Poland, [www.strategyand.pwc.com/pl/pl/publikacje/2022/perspektywy-rozwoju-rynku-e-commerce-w-polsce-2018-2027.html]

According to the “E-commerce in Poland 2022” report prepared by Gemius, the percentage of online shoppers has stabilised at 77%<sup>21</sup> of all internet users surveyed. At the same time, 75% of internet users buy in Polish shops and 32% in foreign e-stores. The most popular categories of goods bought online by at least half of shoppers include: clothing including accessories, footwear, cosmetics and perfumes, books, CDs, films, pharmaceuticals, home electronics / household appliances and sportswear.

Online shoppers can be found in all groups surveyed but the most numerous group of online shoppers includes residents of cities with more than 200 thousand inhabitants (34%), persons with higher education (40%) and those aged 35-49 (33%). Furthermore, women (52%) are more likely to buy online than men (48%). This is a significant change compared to the breakdown presented in the 2021 report, where men represented a larger group (53%) than women (47%). This is probably due to the increased interest and purchases in the clothing, footwear and cosmetics segments.

Respondents list the convenience and ease of shopping and better choice than buying in traditional stores as benefits of online shopping. More than three-quarters of shoppers indicate the 24-hour availability as an element that encourages them to shop online, while 81% declare that the Inpost parcel machine is the delivery method they use most often. The most popular form of payment (70%) is the instant transfer via the payment service (e.g: PayU, Przelewy24, Dotpay, Tpay), followed by mobile payments, such as BLIK. The majority of respondents (75%) indicate that they do shopping online using a smartphone.

The study carried out in 2022 shows that the ROPO (research online, purchase offline) effect seems less pronounced. The main categories affected by this effect include building and finishing materials, footwear, pharmaceuticals and home electronics / household appliances. Clothing and phones are generally replaced less frequently than in the previous measurement. The reverse ROPO effect mainly affects cosmetics and perfumes, clothing, home electronics / household appliances and footwear. Both the ROPO effect and the reverse ROPO effect are far more frequently observed among persons with up to 2 years of online shopping experience.

## 1.8. LEGAL CHANGES

On 1 January 2022, the amendment to a number of laws entered into force, including the Act of 29 July 2005 on trading in financial instruments and the Act of 29 July 2005 on capital market supervision (introduced by the Act of 21 January 2021, Journal of Laws of 2021, item 355). The amendment is related to adapting of Polish legislation to the requirements of a number of EU directives and regulations concerning capital requirements for investment firms. The amendment regulates the transmission of information between the supervision authorities of individual Member States and the European Insurance and Occupational Pensions Authority (EIOPA). Moreover, an explicit exclusion of liability of so-called “whistleblowers” for breaches of professional secrecy obligations under the applicable law or contract - performed in connection with a report of breaches sent to the Polish Financial Supervision Authority - has been introduced.

Since 12 October 2022, the provisions resulting from the amendment to the Commercial Companies Code of 9 February 2022 (Journal of Laws of 2022, item 807) have been in force, providing in particular:

- a new regulation concerning so-called groups of companies (holding companies) - understood as a parent company and a subsidiary company or companies (other than public companies) which are capital companies and which, in accordance with the resolution on participation in the group of companies, are guided by a common strategy justifying the

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<sup>21</sup> Source: Gemius.pl, "E-commerce in Poland 2022", February 2023.

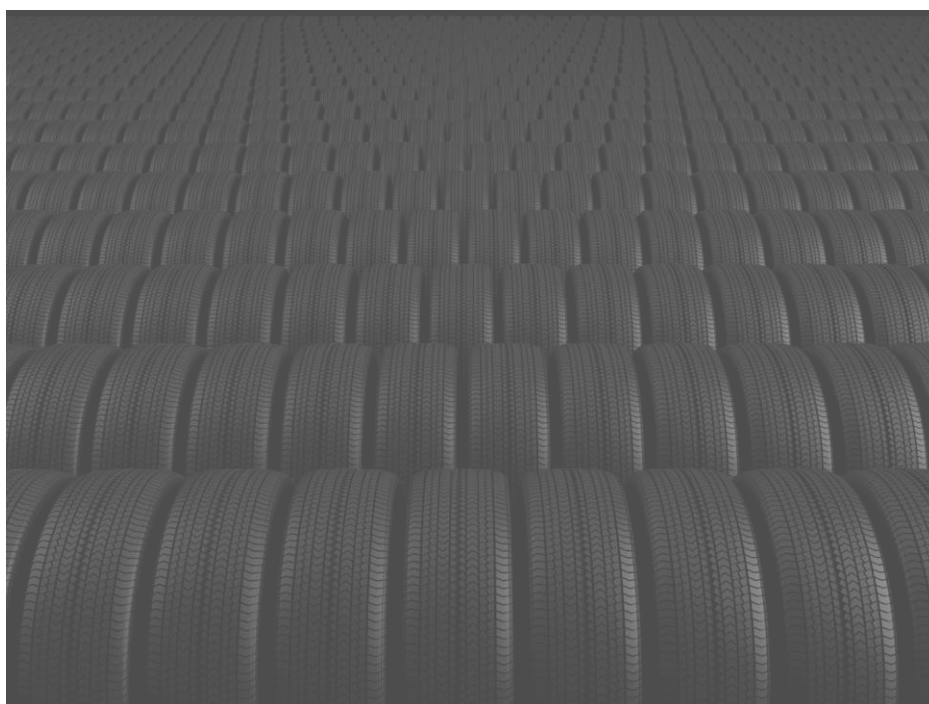
exercise of unified management of the group by the parent company. In particular, the regulation concerned clarifies: a) the rules for issuing binding instructions to subsidiaries regarding the conduct of the company affairs; b) additional rights of partners or minority shareholders; c) the rules concerning the liability of the parent company for damage caused to the subsidiary's creditors.

- New liability rules for members of the management board, including the exclusion of the said liability in case of acting loyally towards the company, within the limits of a legitimate business risk ("*Business Judgement Rule*")
- Extension of the duties and competence of supervisory boards, especially in groups of companies.

Moreover, the amended tax regulations introduced as part of the Polish Order have been in force since 2022. The new tax arrangements include incentives for entrepreneurs investing in robotisation and modernisation. The changes related to the Polish Order may affect the amount of taxes that OPONEO.PL S.A. is committed to pay. Furthermore, in terms of personal income tax, changes may affect business costs - due to changes in the financial expectations of contractors who are natural persons.

Since 1 January 2022, amendments to the amended Act of 14 December 2012 on waste, introduced by the amendment of 17 November 2021 (Journal of Laws of 2021 , item 2151) have become effective. The amendment concerns, among other things, a change in terms of keeping waste records (including tyres). The activity in the scope of preparing for re-use, recycling or other recovery will additionally require information on the end-of-waste status (if any) and on the products and materials resulting from the aforementioned processes.

## 2. COMMENTARY TO THE FINANCIAL RESULTS OF THE OPONEO.PL GROUP IN 2022



## 2. COMMENTARY TO THE RESULTS OF THE OPONEO.PL GROUP AND OPONEO.PL S.A.

### 2.1. MAIN FACTORS AFFECTING THE FINANCIAL RESULT

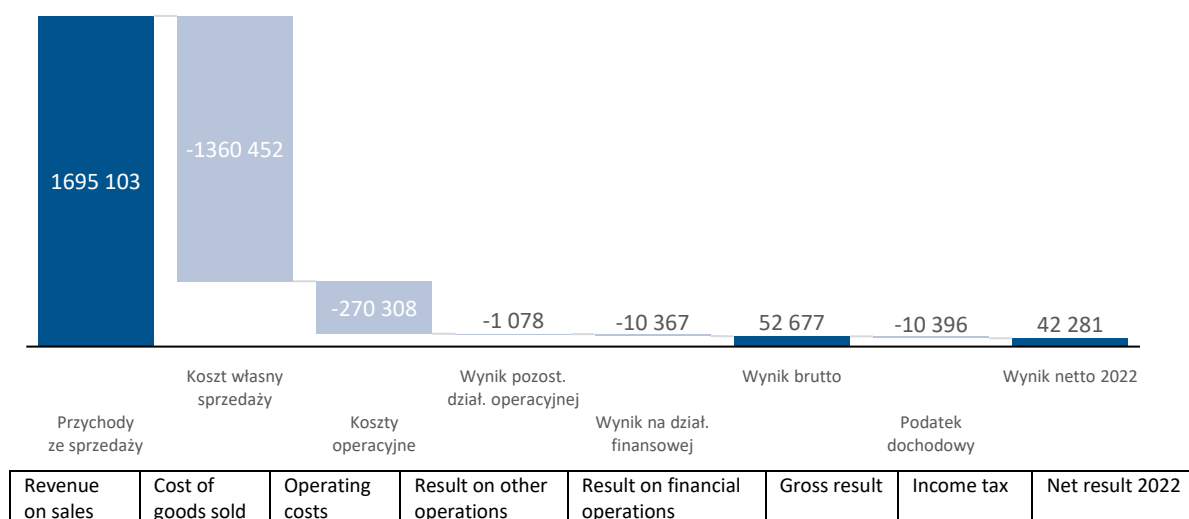
#### 2.1.1. OPONEO.PL Group

Despite the complicated macroeconomic situation in 2022, the OPONEO.PL Group generated a gross profit of PLN 52,677 thousand compared to PLN 78,486 thousand in the previous year (down by 20.4%), while the net profit amounted to PLN 42,281 thousand and was 32.7% lower than in 2021.

Main factors influencing the financial result of the OPONEO.PL Group in 2022 include:

- Growth in sales revenues.  
In 2022, they amounted to PLN 1,695,103 thousand, which means a growth of 11.9% compared to 2021. At the same time, revenue from domestic sales amounted to PLN 1,380,451 thousand and increased by 12.5% compared to 2021, while revenues from foreign sales amounted to PLN 314,652 thousand, which means an increase of 9.5% YoY.
- An increase in operating costs, i.e. sales costs and general administrative expenses of 18.8% to PLN 270,308 thousand. The growth in operating costs was driven by increased order volumes, as well as the expenses associated with moving all goods to the new warehouse, resulting in increased transport costs. The increase in costs under the item of costs of third-party services occurred as a result of the transfer of the overall handling of the warehouse to an external company.
- Negative result on other operating activity.  
In 2022, the result on other operating activity amounted to PLN -1,078 thousand, compared to PLN -2,147 thousand in the previous year.
- Negative result on financial activity.  
In 2022, the result on financial activity amounted to PLN -10,367 thousand, compared to PLN -718 thousand for 2021. The result was mainly affected by foreign exchange losses and an increase in borrowing costs.
- Income tax burden.  
In 2022, income tax amounted to PLN -10,396 thousand compared to PLN -15,660 thousand in the previous year.

Źródła kreacji wyniku netto Grupy OPONEO.PL w 2022 roku (w tys. zł)



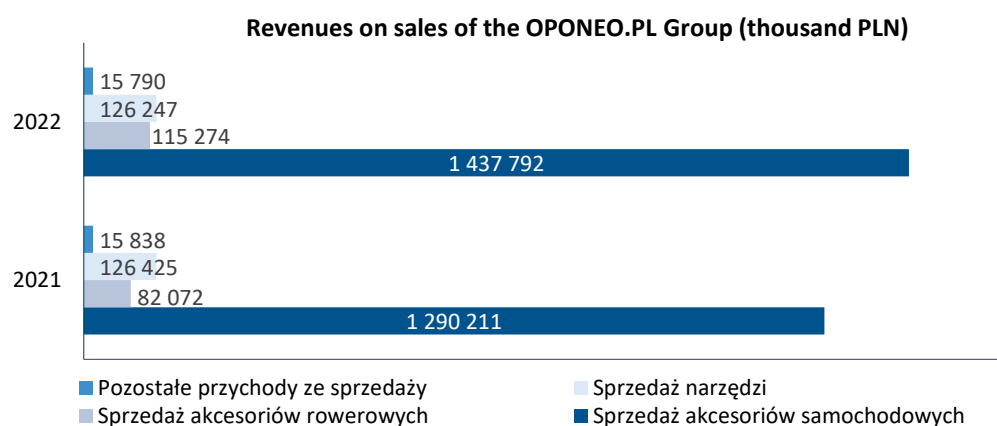
Basic items of the consolidated statement of comprehensive income OPONEO.PL Group	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021	Change	
			PLN thousand	in %
Sales revenue	1,695,103	1,514,546	180,557	11.92%
Cost of goods sold	-1,360,452	-1,205,427	-155,025	12.86%
Operating costs (general administration and sales)	-270,308	-227,499	-42,809	18.82%
Result of other operating activity	-1,078	-2,147	1,069	-49.79%
Result on financial activity	-10,367	-718	-9,649	1343.87%
Gross result	52,677	78,486	-25,809	-32.88%
Income Tax	-10,396	-15,660	5,264	-33.61%
<b>Net result</b>	<b>42,281</b>	<b>62,826</b>	<b>-20,545</b>	<b>-32.70%</b>
<i>including, attributable to shareholders of the parent company</i>	<i>40,680</i>	<i>60,169</i>	<i>-19,489</i>	<i>-32.39%</i>

## Revenues on sales

In 2022, the total revenue of OPONEO.PL Group sales amounted to PLN 1,695,103 thousand, which means an increase of 11.9% compared to the previous year, which closed with a revenue in the amount of PLN 1,514,546 thousand. Revenue from domestic sales amounted to PLN 1,380,451 thousand and increased by 12.5% YoY, while foreign sales generated revenue of PLN 314,652 thousand, increasing by 9.5% YoY. The share of domestic revenues accounted for 81.4% of OPONEO.PL Group's total sales revenues.

The Group distinguishes three operating segments in its operations:

- Sales of car accessories (tyres, rims and car accessories);
- Sales of bicycle accessories (bicycles and bicycle accessories);
- Sales of tools (tools and power tools).



Pozostałe przychody ze sprzedaży	Other sales revenues
Sprzedaż akcesoriów rowerowych	Sales of bicycle accessories
Sprzedaż narzędzi	Sales of tools
Sprzedaż akcesoriów samochodowych	Sales of car accessories

The main revenue-generating segment is the sales of car accessories, i.e. tyres, rims and other small accessories. Revenues from this segment amounted to PLN 1,437,792 thousand, growing 11.4% YoY and accounting for 84.8% of the Group's total sales revenues.

Revenues from sales of bicycles and bicycle accessories reached a level of PLN 115,274 thousand, i.e. 40.5% more than in the previous year. Within the sales structure, revenues from this segment accounted for 6.8% of total revenue.

In 2022, in the tools segment, the Group generated a turnover of PLN 126,247 thousand, maintaining the previous year's sales level. Revenue from sales of tools accounts for 7.5% of the Group's total revenue.

### **Result on other operating activity**

In 2022, the result of the Group on other operating activity amounted to PLN -1,078 thousand, compared to PLN -2,147 thousand in 2021. The determination of such a result was mainly affected by operations related to the company's ordinary operating activities, especially in the goods movement segment (disclosures and settlements of commercial goods), as well as the balance of claims settlements.

### **Operating expenses**

In 2022, operating expenses in the Group amounted to PLN 270,308 thousand showing an increase of 18.8% compared to the previous year.

Costs of third-party services represent the major part of operating expenses. In 2022, they amounted to PLN 123,899 thousand and accounted for 45.8% of total operating expenses. Compared to 2021, they were 17.4% higher. Several factors contributed to the increase in third-party service costs in 2022. The most significant of these factors is the increase in the cost of shipping and transport services, including the non-recurring costs associated with the transport of tyres and rims to the main warehouse at the new site which amounted to PLN 1,875 thousand. The increase in third-party service costs is also due to higher operating and maintenance costs associated with the leased warehouse space.

Higher expenditure on marketing campaigns and increased service of electronic payments translated into a 15.5% increase in other operating expenses in 2022 compared to the previous period. In 2022, they amounted to PLN 62,473 thousand and accounted for 23.2% of total operating expenses.

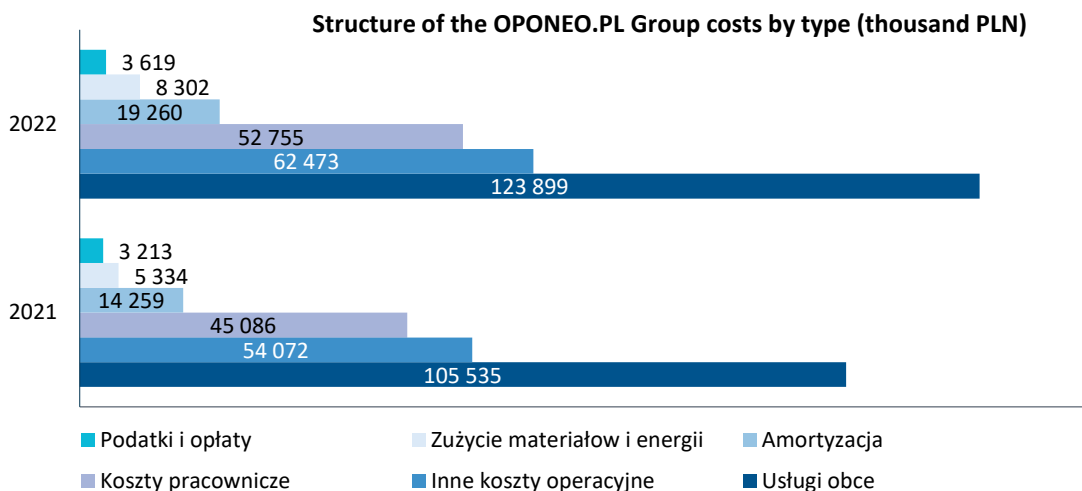
Employee costs in the Group in the amount of PLN 52,755 thousand accounted for 19.5% of total costs and increased by 17.0% YoY. The increase in employee costs was affected by wage increases due to the labour market situation and the payment of one-off bonuses to employees and the Management Board.

Depreciation was also a significant component of operating costs. In 2022, its value amounted to PLN 19,260 thousand, increasing by 35.1% compared to the previous year. The growth relates to the car tyre and accessories sales segment, which is associated with the acceptance for use, under a long-term agreement of a new warehouse and its equipping with racking systems for storing goods and additional forklift trucks necessary for efficient logistics service.

The highest growth rate was recorded for costs of materials and energy consumption, which amounted to PLN 8,302 thousand in 2022, increasing by 55.6% compared to the previous year. This was due to the rise in energy and fuel prices, as well as an increase in the warehouse space used by the Group.

Compared to 2021, costs in the taxes and fees category have also increased. Their value in 2022 amounted to PLN 3,619 thousand, increasing by 12.6%. The growth of these costs was affected,

among other things, by changes in recycling fees associated with the Group's tyre sales carried out in Poland and in the territory of the European Union.



Podatki i koszty	Taxes and costs
Koszty pracownicze	Employee costs
Zużycie materiałów i energii	Consumption of materials and energy
Inne koszty operacyjne	Other operating costs
Amortyzacja	Depreciation and amortisation
Usługi obce	Third-party services

### Result on financial activity

In 2022, the Group's result on financial activity amounted to PLN -10,367 thousand, compared to PLN -718 thousand in the previous year. Negative results on both foreign exchange differences and interest as well as lease charges had a direct impact on the determination of this result on financial activities.

### Income tax

In 2022, the Group recognised PLN 10,396 thousand of income tax in the statement of income compared to PLN 15,660 thousand in 2021. The final tax determined consists of current tax in the amount of PLN 11,519 thousand, deferred tax arising during the year in the amount of PLN 2,712 thousand and reversals of previous write-downs in the amount of PLN -3,835 thousand.

For 2022, the deferred tax in the Group applies to:

- rebate adjustments for 2022 taxed according to their date of issue by the supplier partially in 2023,
- sales adjustments issued in 2023, relating to the 2022 financial year,
- provision created for employee benefits,
- unamortised balance sheet portion of the acquired domains,
- operating lease recognised in the accounts as finance lease,
- measurement of assets and liabilities on the balance sheet day.

### 2.1.2. OPONEO.PL S.A.

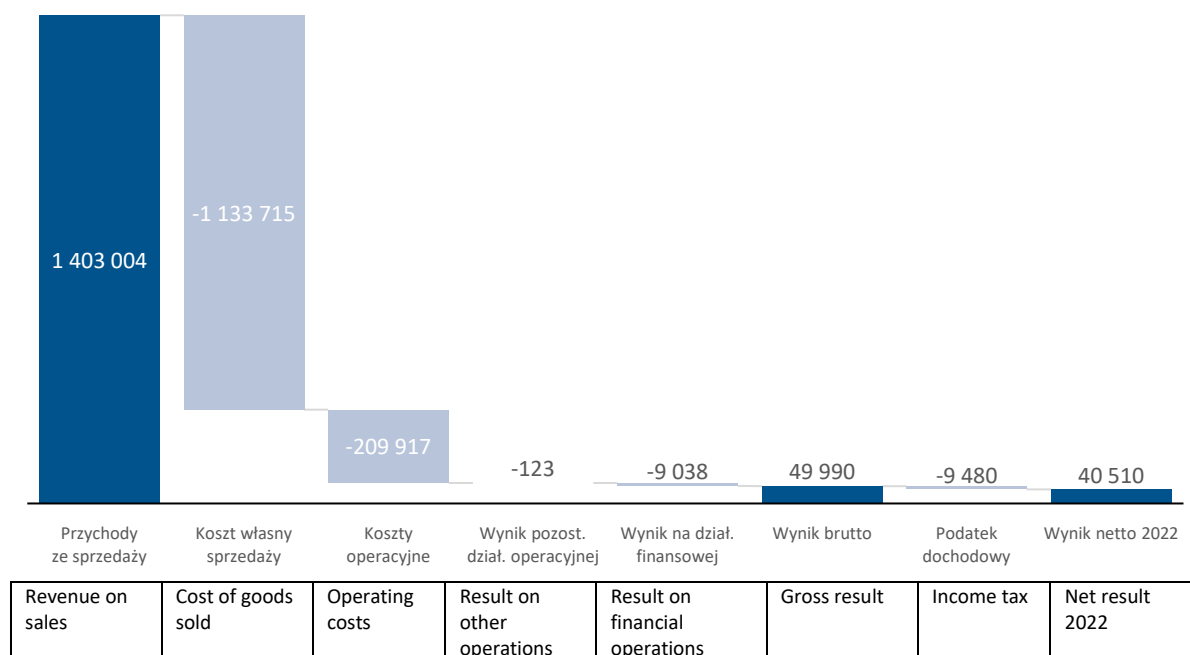
In 2022, OPONEO.PL S.A. generated the net profit of PLN 40,510 thousand compared to the net profit of PLN 53,928 thousand in 2021.

Main factors creating the financial result of the Company in 2022 include:

- **Dynamic growth of revenue on sales.**  
In 2022, the Company's revenue increased by 11.4% compared to the previous year, reaching the value of PLN 1,403,004 thousand. At the same time, revenue from domestic sales reached the value of PLN 1,192,341 thousand, which means an increase of 10.9% compared to 2021. Revenues on foreign sales also increased, closing at PLN 210,662 thousand, which means an increase of 14.5% YoY.
- **Growth of operating expenses by 14.3% to the level of PLN 209,917 thousand.**  
In 2022, the growth in operating costs was recorded, driven by increased volumes of orders, as well as moving all goods to the new warehouse, resulting in increased transport costs. The transfer of the overall operation of the warehouse to an external company has resulted in a rise in third-party service costs. Due to the increase in energy prices, material and energy consumption costs have also increased.
- **Better result on other operating activity.**  
In 2022, it amounted to PLN -123 thousand compared to PLN -133 thousand in 2021.
- **Lower result on financial activity.**  
The result on financial activities in 2022 amounted to PLN -9,038 thousand compared to PLN -1,336 thousand for 2021. The main negative factors included the exchange rate fluctuations and the result on exchange rate differences, unfavourable for the Company as well as an increase in borrowing costs (loans, leases).
- **Income tax burden.**  
Income tax for 2022 amounted to PLN 9,480 thousand, while in 2021 the amount of tax payable was PLN 13,039 thousand.

Key items of the separate financial statements of comprehensive income of OPONEO.PL S.A.	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021	Change	
			PLN thousand	in %
Sales revenue	1,403,004	1,259,058	143,946	11.43%
Cost of goods sold	-1,133,715	-1,006,742	-126,973	12.61%
Operating costs (general administration and sales)	-209,917	-183,611	-26,306	14.33%
Result of other operating activity	-123	-133	10	-7.52%
Result on financial activity	-9,038	-1,336	-7,702	576.50%
Gross result	49,990	66,967	-16,977	-25.35%
Income Tax	-9,480	-13,039	3,559	-27.30%
<b>Net result</b>	<b>40,510</b>	<b>53,928</b>	<b>-13,418</b>	<b>-24.88%</b>

Źródła kreacji wyniku netto OPONEO.PL S.A. w 2022 roku (w tys. zł)



### Revenues on sales

The revenue on sales of tyres is the main component of the Company's revenue. In 2022, the revenue from tyre sales closed at PLN 1,317,890 thousand, which means an increase of 12.1% compared to the previous year. The Company generated revenue of PLN 63,120 thousand from the sale of rims, essentially maintaining the revenue level of 2021, when the result amounted to PLN 63,439 thousand. Sales of other car accessories amounted to PLN 1,977 thousand compared to PLN 1,557 thousand in the previous year. Other sales revenue showed a value of PLN 20,017 thousand, increasing by 8.2% YoY.

### Result of other operating activity

In 2022, the result on other operating activity amounted to PLN -123 thousand, compared to PLN -133 thousand in 2021. The determination of this result was mainly affected by disclosures and settlements of trade goods, as well as the balance of claims settlements.

### Operating expenses

The cost of external services is the main element of OPONEO.PL S.A.'s operating costs. In 2022, they amounted to PLN 90,157 thousand and accounted for 42.9% of total operating expenses. They were 12.0% higher than in the previous year. Several factors contributed to the increase in third-party service costs in 2022. The most significant of these factors is the increase in the cost of shipping and transport services, including the non-recurring costs associated with the transport of commercial goods to the new site. Costs relating to the operation of the facilities in use (security, cleaning, maintenance) also increased in 2022 compared to 2021. As a result of subcontracting the entire logistics service to an external operator from the start-up of the new logistics centre, with the simultaneous resignation from employment of warehouse staff, the associated outsourcing costs have also increased in 2022.

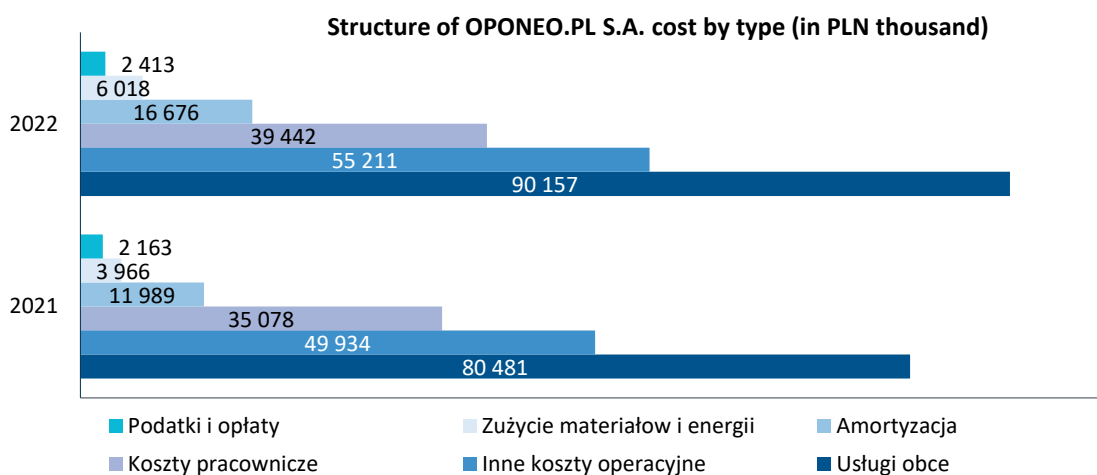
Other operating expenses in 2022, representing 26.3% of total operating expenses, amounted to PLN 55,211 thousand, a YoY increase of 10.6%. Other operating expenses mainly include costs of

advertising as well as fees and commissions, including those related to banking services and electronic payments.

The increase in depreciation and amortisation costs is due to the acceptance of the warehouse space in Zelgoszcz into the fixed asset register, rented under the long-term contract, including its equipment such as, among others, forklift trucks and rack sets for the storage of goods. The amount of depreciation relating to the warehouse in 2022 was PLN 10.92 million compared to PLN 7.03 million, up by 55.3%. The growth in costs was affected by maintaining two logistics centres until mid-2022. Due to the complete takeover of the warehouse operation by an external entity, the costs of the current logistics service in the second half of 2022 decreased by PLN 4.4 million.

A growth in recycling fees related to the sales of tyres carried out by the company in Poland and within the European Union, resulted in an 11.6% increase in costs in the taxes and fees category to PLN 2,413 thousand.

Employee costs represent a significant item in the cost structure (salaries and other employee benefits). In 2022, they closed with the amount of PLN 39,442 thousand and accounted for 18.8% of operating expenses of the Company. Employee costs increased by 12.4% compared to the previous year. The increase in wages compared to the previous year is related to the change in wages resulting from the labour market situation and the payment of one-off bonuses to the Management Board and employees for the Company's performance.



Podatki i koszty	Taxes and costs
Koszty pracownicze	Employee costs
Zużycie materiałów i energii	Consumption of materials and energy
Inne koszty operacyjne	Other operating costs
Amortyzacja	Depreciation and amortisation
Usługi obce	Third-party services

### Result on financial activity

In 2022, it amounted to PLN -9,038 thousand compared to PLN -1,336 thousand for the previous year. Negative results on both foreign exchange differences and interest and on interest as well as an increase in borrowing costs (borrowings, leases) had a direct impact on the determination of this result on financial activities.

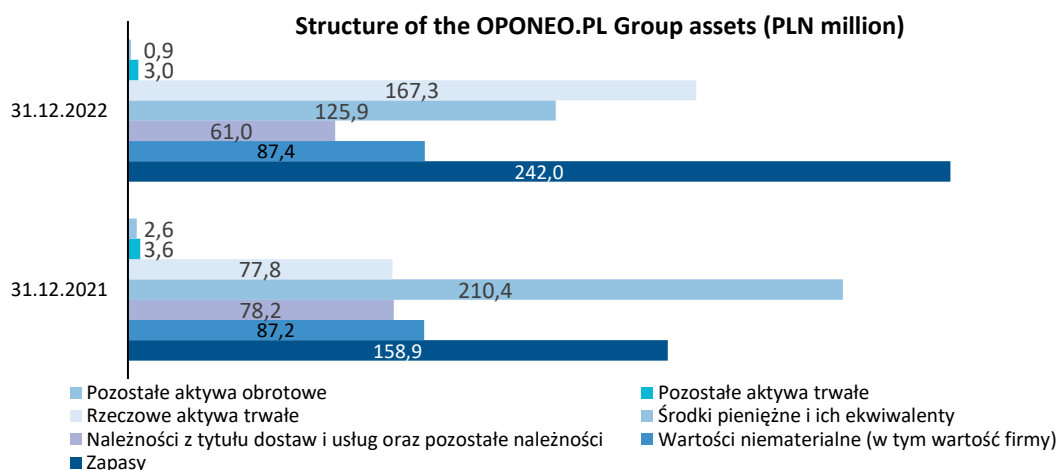
**Income tax**

Income tax for 2022 amounted to PLN -9,480 thousand compared to PLN -13,039 thousand for the previous year. In addition to current tax, the final determination of the annual tax liability is affected by deferred tax arising during the year and reversals of previous write-downs. The reduction in the tax base in future periods will be influenced by the increased amount of depreciation resulting from the leased warehouse space in Zelgoszcz accepted as fixed assets.

## 2.2. FINANCIAL STANDING

### 2.2.1. OPONEO.PL Group

As at 31 December 2022, the total assets of the OPONEO.PL Group amounted to PLN 687,499 thousand and were 11.1% higher than at the end of 2021. The increase in the value of assets is the result of the Group' development and changes in presentation due to IFRS requirements.



Pozostałe aktywa obrotowe	Other current assets
Rzeczowe aktywa trwałe	Tangible fixed assets
Należności z tytułu dostaw i usług oraz pozostałe należności	Trade and other receivables
Zapasy	Inventories
Pozostałe aktywa trwałe	Other fixed assets
Środki pieniężne i ich ekwiwalenty	Cash and cash equivalents
Wartości niematerialne (w tym wartość firmy)	Intangible assets (including goodwill)

The Group's main assets include:

- Inventories, amounting to PLN 242,037 thousand, accounting for 35.2% of assets. Compared to the previous year, they increased by 52.4%. The growth in inventory is related to the increase in the Group's range of operations and to purchases made at favourable prices for the next season.
- Tangible fixed assets with the value of PLN 167,257 (24.3% of assets). Compared to 2021, their value increased by 114.9%.
- Cash and cash equivalents - as at 31 December 2022 they amounted to PLN 125,916 thousand, showing a decrease of 40.2% compared to the previous year. Cash and cash equivalents accounted for 18.3% of total assets.
- Intangible assets were measured at PLN 45,715 thousand (6.7% of assets). They were 0.4% higher compared to the status as at 31 December 2021.
- Trade and other receivables amounted to PLN 60,964 thousand, representing 8.9% of total assets. Their value was 22.1% lower compared to the status as at the end of 2021.

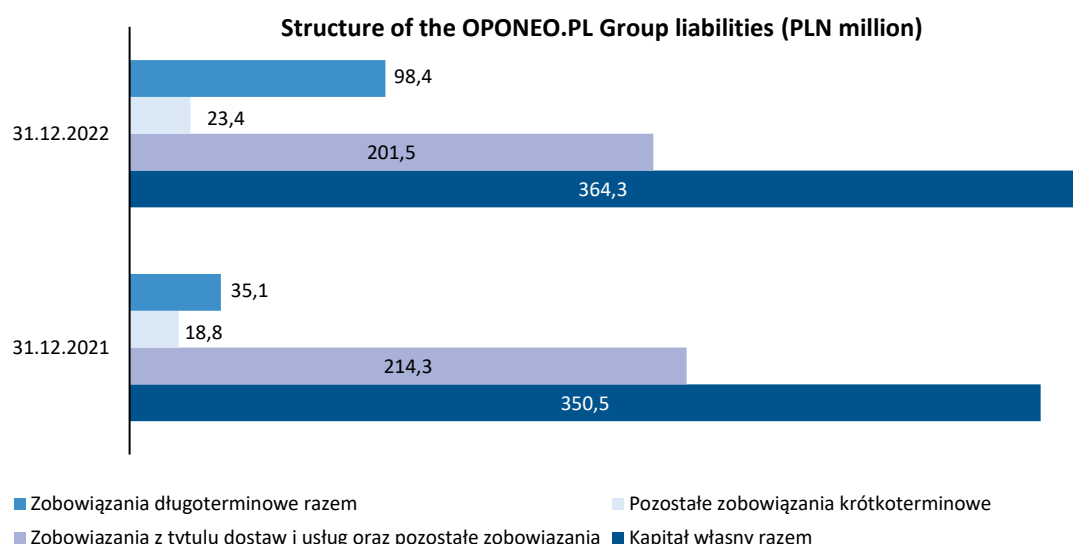
### Liabilities of the OPONEO.PL Group

As at the end of 2022, the equity of OPONEO.PL Group amounted to PLN 364,261 thousand compared to PLN 350,496 thousand at the end of 2021. They grew by 3.9% YoY and financed 53% of the Group's operations.

Short-term trade and other liabilities decreased by 6% in relation to the previous year and closed with the amount of PLN 201,489 thousand. In the structure of liabilities, they accounted for 29.3%.

Total long-term liabilities amounted to PLN 98,380 thousand (14.3% of liabilities) and were 180.6% higher than in the previous year. Lease liabilities represented the largest item in long-term liabilities, amounting to PLN 73,302 thousand at the end of the year, compared to PLN 4,932 thousand in 2021.

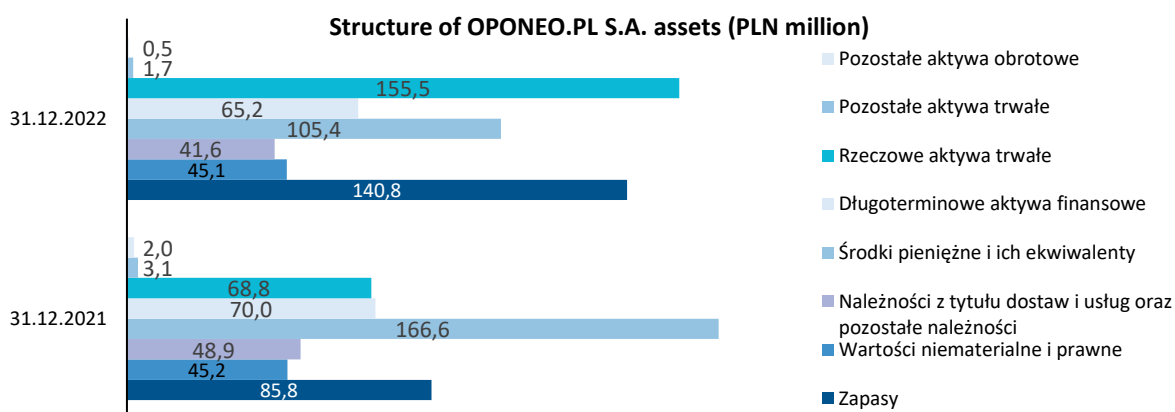
Other short-term liabilities at the end of 2022 amounted to PLN 23,369 thousand, and increased by 24.2% YoY.



Zobowiązania długoterminowe razem	Total long-term liabilities
Pozostałe zobowiązania krótkoterminowe	Other short-term liabilities
Zobowiązania z tytułu dostaw i usług oraz pozostałe zobowiązania	Trade and other liabilities
Kapitał własny razem	Total equity

### 2.2.2. OPONEO.PL S.A.

As at 31 December 2022, the total assets of the OPONEO.PL Group amounted to PLN 555,801 thousand and were 13.3% higher than at the end of 2021.



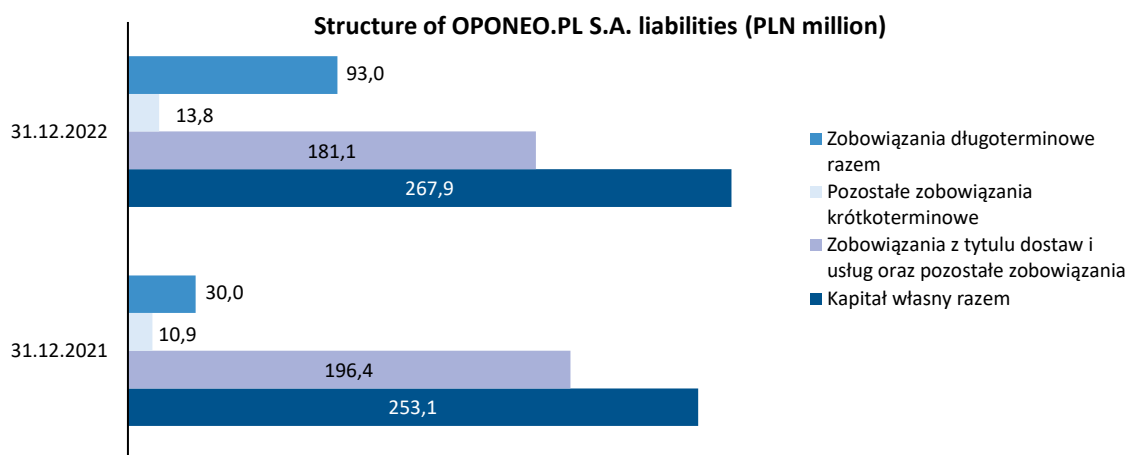
Pozostałe aktywa obrotowe	Other current assets
Pozostałe aktywa trwałe	Other fixed assets
Rzeczowe aktywa trwałe	Tangible fixed assets
Długoterminowe aktywa finansowe	Long-term financial assets
Należności z tytułu dostaw i usług oraz pozostałe należności	Trade and other receivables
Zapasy	Inventories
Pozostałe aktywa trwałe	Other fixed assets
Środki pieniężne i ich ekwiwalenty	Cash and cash equivalents
Wartości niematerialne i prawne	Intangible assets

The main elements of the Company assets include:

- Inventories with the value of PLN 140,843 thousand (25.3% of assets) - up by 64.3% YoY. The change was affected by slower inventory turnover and increased value of purchases in 2022.
- Intangible assets measured at PLN 45,051 thousand (8.1% of assets). Their value was 0.34% lower compared to the status as at the end of 2021.
- Trade and other receivables amounted to PLN 41,640 thousand, representing 7.5% of total assets. Their value has decreased by 14.9% compared to the end of 2021. These receivables mainly resulted from settlement cycles with courier companies and cashless payment operators as at the reporting date, as well as prepayments made for goods and discount adjustments.
- Cash and cash equivalents as at 31 December 2022 amounted to PLN 105,364 thousand, i.e. 18.9% of assets. Compared to the previous year, their status decreased by 36.8%.
- Long-term financial assets in the form of shares in subsidiaries and associated companies in the amount of PLN 65,174 thousand, i.e. 6.8% lower than in 2021.
- Tangible fixed assets with the value of PLN 155,542 thousand (28% of assets) were 126% higher than at the end of 2021. The increase in tangible fixed assets is mainly associated with the acceptance into the fixed asset register of the warehouse space in Zelgoszcz, rented under a long-term contract, and its equipment including, among others, forklift trucks and rack sets for the storage of goods.

As at 31 December 2022, the Company's equity amounted to PLN 267,913 thousand representing 48.2% in the structure of liabilities. Compared to equity as at the end of 2021 their growth by 5.9% occurred. At the Ordinary General Meeting of OPONEO.PL S.A. held on 11 May 2022, the shareholders resolved to transfer PLN 35,155.5 thousand of the 2021 profit to the supplementary capital of the Company.

As at the end of 2022, short-term trade and other liabilities amounting to PLN 181,083 thousand (32.6% of liabilities) accounted for a significant share in OPONEO.PL S.A.'s balance sheet total. Their value decreased by 7.8% in relation to the end of 2021. The main factor affecting this situation was the decrease in trade liabilities.



Zobowiązania długoterminowe razem	Total long-term liabilities
Pozostałe zobowiązania krótkoterminowe	Other short-term liabilities
Zobowiązania z tytułu dostaw i usług oraz pozostałe zobowiązania	Trade and other liabilities
Kapitał własny razem	Total equity

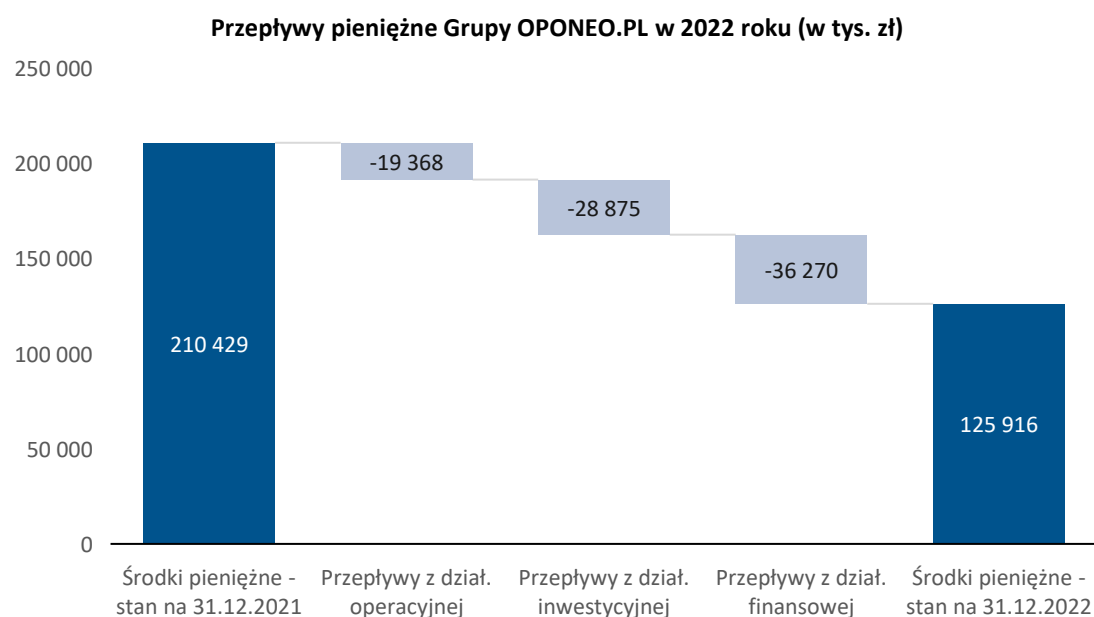
## 2.3. CASH FLOWS

### 2.3.1. OPONEO.PL Group

In 2022, the OPONEO.PL Group recorded cash flows at a level of PLN -84,513 thousand, compared to PLN 155,093 thousand in 2021. They consisted of:

- Negative cash flows from operating activity in the amount of PLN -19,368 thousand, Factors with a positive impact on cash flows mainly included: generation of gross profit in the amount of PLN 52,677 thousand, change in receivables (PLN 14,040 thousand) and depreciation and amortisation (PLN 19,260 thousand). On the other hand, cash flows from operating activities were negatively affected primarily by a change in inventories by PLN -83,678 thousand, a change in trade and other payables in the amount of PLN -10,037 thousand, as well as income tax paid in the amount of PLN -11,519 thousand. In the previous year, the cash flows from operating activities amounted to PLN 96,404 thousand.
- Negative cash flows from investment activity in the amount of PLN -28,875 thousand, This was primarily the result of: the acquisition of property, plant and equipment (PLN -28,285 thousand) and the acquisition of intangible assets in the amount of PLN -2,690 thousand. In the previous year, the cash flows from investment activities amounted to PLN -22,205 thousand.
- Negative cash flows from financing activity in the amount of PLN -36,270 thousand, The final determination of the cash flow on financing activities was mainly affected by the payment of the dividend in the amount of PLN -19,473 thousand, the acquisition of treasury shares in the amount of PLN -6,925 thousand and payments under finance lease agreements in the amount of PLN -6,940 thousand. In 2021, the cash flows from financing activities amounted to PLN 80,894 thousand.

At the end of 2022, the OPONEO.PL Group held cash and cash equivalents of PLN 125,916 thousand. In the previous year, cash amounted to PLN 210,429 thousand.



Środki pieniężne stan na 31.12.2021	Balance of cash as at 31.12.2021
Przepływy z działalności operacyjnej	Cash flows from operating activities
Przepływy z działalności inwestycyjnej	Cash flows from investing activities
Przepływy z działalności finansowej	Cash flows from financing activities
Środki pieniężne stan na 30.06.2022	Balance of cash as at 30.06.2022

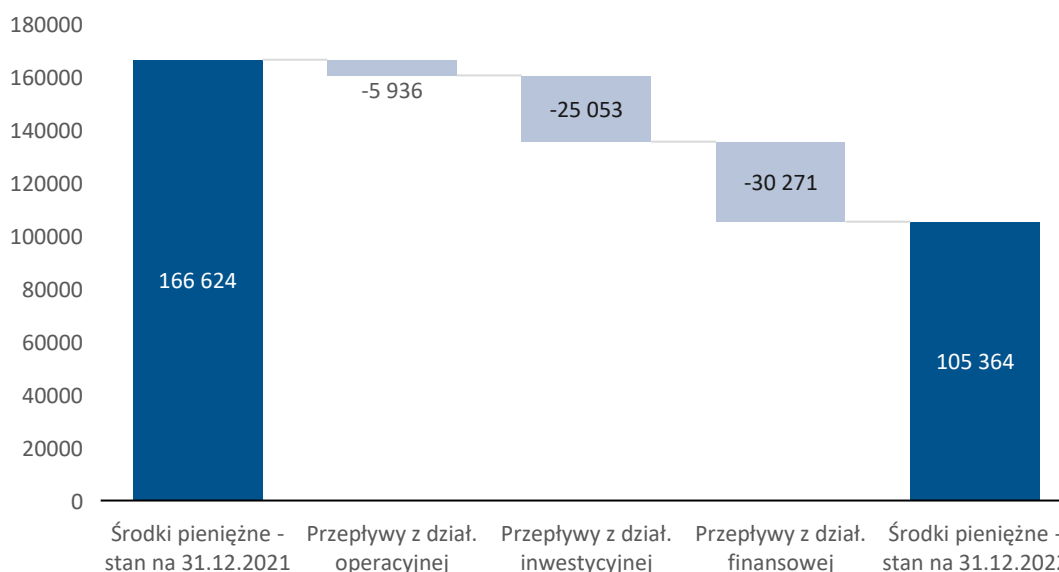
### 2.3.2. OPONEO.PL S.A.

In 2022, OPONEO.PL S.A. recorded cash flows at a level of PLN -61,260 thousand, compared to PLN 124,824 thousand in the previous year. They consisted of the following:

- Negative cash flows from operating activity in the amount of PLN -5,936 thousand, Positive impact on the balance of funds generated from operating activities was mainly due to depreciation (PLN 16,676 thousand) and the change in the balance of receivables (PLN 7,262 thousand).  
On the other hand, cash flows were negatively affected primarily by a change in inventories (PLN -55,093 thousand), a change in trade and other liabilities (PLN -14,345 thousand), as well as income tax paid (PLN -10,300 thousand). In the previous year, cash flows from operating activities amounted to PLN 125,912 thousand.
- Negative cash flows from investment activity in the amount of PLN -25,053 thousand, The determination of such flows was mainly affected by the acquisition of property, plant and equipment (PLN -25 490 thousand) and the acquisition of intangible assets (PLN - 2 656 thousand). In the previous year, the cash flows from investment activities amounted to PLN -5,120 thousand.
- Negative cash flows from financing activity in the amount of PLN -30,271 thousand, The generation of such an amount is mainly due to the negative impact of several factors: the balance of loans and borrowings received and repaid (PLN -3 852 thousand), dividends paid (PLN - 18 773 thousand), purchase of treasury shares (PLN -6 925 thousand), payment of finance lease instalments (PLN - 5 778 thousand). In 2021, the cash flows from financing activities amounted to PLN 4,032 thousand.

At the end of 2022, OPONEO.PL. S.A. held cash in the amount of PLN 105,364 thousand. In the previous year, cash holdings amounted to PLN 166,624 thousand.

Przepływy pieniężne OPONEO.PL S.A. w 2022 roku (w tys. zł)



Środki pieniężne stan na 31.12.2021	Balance of cash as at 31.12.2021
Przeptywy z działalności operacyjnej	Cash flows from operating activities
Przeptywy z działalności inwestycyjnej	Cash flows from investing activities
Przeptywy z działalności finansowej	Cash flows from financing activities
Środki pieniężne stan na 30.06.2022	Balance of cash as at 30.06.2022

## 2.4. CHANGES IN EQUITY

### 2.4.1. OPONEO.PL Group

As at the end of 2022, the equity of the Group amounted to PLN 364,261 thousand compared to PLN 350,496 thousand at the end of 2021. The factor of the largest impact on the increase in capitals was the net profit generated in the amount of PLN 42,281 thousand, while the dividend paid for 2021 and the buyback of treasury shares had a negative impact.

Period: 01.01.2022-31.12.2022

Statement of changes in equity	Share capital	Share premium	Treasury shares	Other reserve capitals	Retained earnings	Equity attributable to shareholders of the parent company	Equity attributable to non-controlling shareholders	Total equity
<b>Opening balance of equity</b>	<b>13,936</b>	<b>125,560</b>	<b>-2,365</b>	<b>67,932</b>	<b>142,776</b>	<b>347,839</b>	<b>2,657</b>	<b>350,496</b>
Net profit (loss)	0	0	0	0	40,680	40,680	1,601	<b>42,281</b>
Other comprehensive income	0	0	0	0	0	0	0	
Total income	0	0	0	0	40,680	40,680	1,601	<b>42,281</b>
Issue of shares	0	0	0	0	0	0	0	<b>0</b>
Purchase of own shares	0	0	-6,926	0	0	-6,926	0	<b>-6,926</b>

Transactions with non-controlling shareholders	0	0	0	2,157	-2,157	0	0	0
Dividend	0	0	0	0	-19,473	-19,473	0	-19,473
Other changes	0	0	0	4,179	-6,296	-2,118	0	-2,118
Creation of reserve capital	0	0	0	0	0	0	0	0
<b>Changes in equity</b>	<b>0</b>	<b>0</b>	<b>-6,926</b>	<b>6,336</b>	<b>12,754</b>	<b>12,163</b>	<b>1,601</b>	<b>13,764</b>
<b>Closing balance of equity</b>	<b>13,936</b>	<b>125,560</b>	<b>-9,290</b>	<b>74,268</b>	<b>155,529</b>	<b>360,003</b>	<b>4,258</b>	<b>364,261</b>

## Period: 01.01.2021-31.12.2021

Statement of changes in equity	Share capital	Share premium	Treasury shares	Other reserve capitals	Retained earnings	Equity attributable to shareholders of the parent company	Equity attributable to non-controlling shareholders	Total equity
<b>Opening balance of equity</b>	<b>13,936</b>	<b>26,145</b>	<b>0</b>	<b>10,882</b>	<b>175,369</b>	<b>226,332</b>	<b>0</b>	<b>226,332</b>
Net profit (loss)	0	0	0	0	60,169	60,169	2,657	<b>62,826</b>
Other comprehensive income	0	0	0	0	0	0	0	<b>0</b>
Total income	0	0	0	0	60,169	60,169	2,657	<b>62,826</b>
Issue of shares	0	77,167	0	0	0	77,167	0	<b>77,167</b>
Purchase of own shares	0	22,249	-2,365	0	-22,249	-2,365	0	<b>-2,365</b>
Transactions with non-controlling shareholders	0	0	0	2,612	-2,612	0	0	<b>0</b>
Dividend	0	0	0	0	-13,936	-13,936	0	<b>-13,936</b>
Other changes	0	0	0	4,438	-3,965	473	0	<b>473</b>
Creation of reserve capital	0	0	0	50,000	50,000	0	0	<b>0</b>
<b>Changes in equity</b>	<b>0</b>	<b>99,416</b>	<b>-2,365</b>	<b>57,050</b>	<b>-32,593</b>	<b>121,508</b>	<b>2,657</b>	<b>124,165</b>
<b>Closing balance of equity</b>	<b>13,936</b>	<b>125,560</b>	<b>-2,365</b>	<b>67,932</b>	<b>142,776</b>	<b>347,839</b>	<b>2,657</b>	<b>350,496</b>

### 2.4.2. OPONEO.PL S.A.

As at 31 December 2022, the equity of the Company amounted to PLN 267,913 thousand compared to PLN 253,102 thousand at the end of 2021. The change in equity, in addition to the financial result achieved in 2022, was affected by the dividend payment for 2021 and the buyback of treasury shares.

#### Period: 01.01.2022-31.12.2022

Statement of changes in equity	Share capital	Share premium	Treasury shares	Other reserve capitals	Retained earnings	Equity attributable to non-controlling shareholders	Total equity
<b>Opening balance of equity</b>	<b>13,936</b>	<b>37,485</b>	<b>-2,365</b>	<b>50,000</b>	<b>154,045</b>	<b>0</b>	<b>253,102</b>
Net profit (loss)	0	0	0	0	40,510	0	40,510
Other comprehensive income	0	0	0	0	0	0	0
Total income	0	0	0	0	40,510	0	40,510
Issue of shares	0	0	0	0	0	0	0
Purchase of own shares	0	0	-6,925	0	0	0	-6,925
Transactions with non-controlling shareholders	0	0	0	0	0	0	0
Dividend	0	0	0	0	-18,773	0	-18,773
Creation of reserve capital	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0
<b>Changes in equity</b>	<b>0</b>	<b>0</b>	<b>-6,925</b>	<b>0</b>	<b>21,737</b>	<b>0</b>	<b>14,812</b>
<b>Closing balance of equity</b>	<b>13,936</b>	<b>37,485</b>	<b>-9,290</b>	<b>50,000</b>	<b>175,782</b>	<b>0</b>	<b>267,913</b>

#### Period: 01.01.2021-31.12.2021

Statement of changes in equity	Share capital	Share premium	Treasury shares	Other reserve capitals	Retained earnings	Equity attributable to non-controlling shareholders	Total equity
<b>Opening balance of equity</b>	<b>13,936</b>	<b>26,145</b>	<b>0</b>	<b>0</b>	<b>175,690</b>	<b>0</b>	<b>215,771</b>
Net profit (loss)	0	0	0	0	53,928	0	53,928
Other comprehensive income	0	0	0	0	0	0	0
Total income	0	0	0	0	53,928	0	53,928
Issue of shares	0	0	0	0	0	0	0
Purchase of own shares	0	11,340	-2,365	0	-11,340	0	-2,365
Transactions with non-controlling shareholders	0	0	0	0	0	0	0
Dividend	0	0	0	0	-13,936	0	-13,936
Creation of reserve capital	0	0	0	50,000	-50,000	0	0
Other changes	0	0	0	0	-297	0	-297
<b>Changes in equity</b>	<b>0</b>	<b>11,340</b>	<b>-2,365</b>	<b>50,000</b>	<b>-21,644</b>	<b>0</b>	<b>37,331</b>
<b>Closing balance of equity</b>	<b>13,936</b>	<b>37,485</b>	<b>-2,365</b>	<b>50,000</b>	<b>154,045</b>	<b>0</b>	<b>253,102</b>

## 2.5. FINANCIAL RATIOS

### 2.5.1. OPONEO.PL Group

The OPONEO.PL Group presents selected financial ratios because, in its opinion, jointly with the data presented in the financial statements, they provide a source of valuable information on the financial and operational situation, as well as facilitate the analysis and assessment of the Group's financial performance over the years 2022 and 2021.

The Group's financial ratios are presented in accordance with the guidelines of the European Securities and Markets Authority (hereinafter, ESMA) in the scope of Alternative Performance Measurement (APM ratios), with a view to standardising the calculation of indices of companies listed on the WSE market.

The selected ratios presented by the Group (profitability, liquidity and debt and turnover of assets) represent standard measures and ratios commonly used in financial analysis. Their selection was preceded by an assessment of their suitability in terms of the specific nature of the Group's business and to provide investors with additional useful information on the Group's financial position, cash flows and financial efficiency. In the Group's opinion, this allows it to assess the presented financial results in the most optimal way. However, it must be emphasised that the APM ratios used by the Group should only be analysed as additional information to support the financial assessment and considered together with all data and information arising from the Group's published financial statements.

The significant increase in sales costs and general and administrative expenses in 2022 resulted in a decrease in all the Group's profitability ratios. The EBIT margin amounted to 3.73%, compared to 5.25% in 2021, while the EBITDA margin reached 4.87%, compared to 6.19% in the previous year. The gross margin on sales decreased by 0.67 p.p. compared to the previous year, reaching the value of 19.74%. Due to the reduction in net profit, the net profit margin decreased by up to 2.49%, which means the reduction of 1.66 p.p. compared to 2021. The decrease in net profit and the increase in assets, particularly in the items of property, plant and equipment and inventories, affected the return on assets ratio, which was set at 6.15%, a decrease of 4 p.p. On the other hand, the lower net profit and the increase in the Company's equity, were reflected in the reduced return on equity to 11.61%.

Profitability ratios %	2022	2021
<b>EBIT margin in %</b> (EBIT/sales revenue) x 100%	3.73%	5.25%
<b>EBITDA margin in %</b> (EBITDA/sales revenue) x 100%	4.87%	6.19%
<b>Gross margin on sales in %</b> (Gross profit on sales/Sales revenue) x 100%	19.74%	20.41%
<b>Net profit (loss) margin in %</b> (Net profit/Sales revenue) x 100%	2.49%	4.15%
<b>Return on assets ratio - ROA</b> (Net profit/Total assets) x 100%	6.15%	10.15%
<b>Return on equity ratio - ROE</b> (Net profit/Equity) x 100%	11.61%	17.92%

Decreased current assets, while reducing short-term liabilities, allowed the current ratio to remain stable at 1.91, similar to the previous year (down by 0.02). At the same time, due to the significant increase in the share of inventories in current assets (56.3%), the accelerated liquidity ratio decreased from 1.25 in the previous year to 0.83 in the current year. The lower cash balance at the end of 2022, had the effect of reducing the cash ratio to 0.56 from 0.90 in the previous year. Despite the decrease in liquidity ratios compared to the previous year, they remain at a safe level and show the Group's stable payment situation. The significant increase in long-term lease liabilities was reflected in the total debt ratio, which stood at 47.02% at the end of 2022, up from 43.35% at the end of the previous year. The significant increase in property, plant and equipment on the balance sheet, deteriorated the equity coverage ratio by 22.65 p.p. compared to 2021 and reached the value of 70.75%. Despite its deterioration, it is at a good and acceptable level.

Liquidity and debt ratios		31.12.22	31.12.21
<b>Current liquidity ratio</b> (current assets / short-term liabilities)		1.91	1.93
<b>Accelerated liquidity ratio</b> (Current assets - inventories - prepaid expenses)/Short-term liabilities		0.83	1.25
<b>Cash liquidity ratio</b> (Cash and cash equivalents/short-term liabilities)		0.56	0.90
<b>Overall debt ratio in %</b> (Total liabilities/Total assets) x 100%		47.02%	43.35%
<b>Equity to fixed assets ratio</b> (Fixed assets/Equity) x 100%		70.75%	48.10%

The extension of the inventory turnover cycle in 2022 was related to the major increase in the Group's inventory. Inventory growth of over 52% YoY resulted in an increase in the inventory turnover cycle of 16.6 days compared to the previous year. However, the receivables turnover cycle was shortened from 18.59 days in the previous year to 12.95 in the current year. The decrease in this ratio, with increasing sales revenue, shows a faster collection of receivables, which is positive for the Group's finances. A positive trend is also demonstrated by the liabilities turnover ratio which reached 47.75 days, compared to 55.42 days in the previous year. Despite the increase in the cash cycle ratio to 29.24 days, it remains at an acceptable and good level.

Assets turnover ratio	2022	2021
<b>Inventory cycle in days</b> (Inventories*360/cost of goods sold)	64.05	47.45
<b>Receivables cycle in days</b> (Trade receivables*360/Sales revenue)	12.95	18.59
<b>Current liabilities cycle in days</b> (Short-term liabilities*360/Sales revenue)	47.75	55.42
<b>Cash cycle in days</b> (inventory cycle + receivables cycle - current liabilities cycle)	29.24	10.62

### 2.5.2. OPONEO.PL S.A.

The Company presents selected financial ratios because, in its opinion, jointly with the data presented in the financial statements, they provide a source of valuable information on the financial and operational situation, as well as facilitate the analysis and assessment of the Company's financial performance over the years 2022 and 2021.

The Company's financial ratios are presented in accordance with the guidelines of the European Securities and Markets Authority (hereinafter, ESMA) in the scope of Alternative Performance Measurement (APM ratios), with a view to standardising the calculation of indices of companies listed on the WSE market.

The selected ratios presented by the Company (profitability, liquidity and debt and turnover of assets) represent standard measures and ratios commonly used in financial analysis. Their selection was preceded by an assessment of their suitability in terms of the specific nature of the Company business and to provide investors with additional useful information on the financial position, cash flows and financial efficiency of the Company. In the opinion of the Company, this allows it to assess the presented financial results in the most optimal way. However, it must be emphasised that the APM ratios used by the Company should only be analysed as additional information to support the financial assessment and considered together with all data and information arising from the published financial statements of the Company.

Due to a significant increase in the cost of sales, all profitability indicators of the Company decreased in 2022 compared to the previous year. The EBIT margin amounted to 4.22%, compared to 5.45% in 2021, while the EBITDA margin reached 5.41%, compared to 6.4% in the previous year. The gross margin on sales decreased by 0.85 p.p. compared to the previous year, reaching the value of 19.19%. In connection with the reduction in net profit, the net profit margin decreased by 1.39 p.p. compared to 2021 and settled at 2.89%. The decrease in net profit and the increase in assets, particularly in the items of property, plant and equipment and inventories, affected the decrease in the return on assets ratio by 3.71 p.p. to the level of 7.29%. On the other hand, the lower net profit and the increase in the Company's equity, were reflected in the reduced return on equity to 15.12%.

Profitability ratios %	2022	2021
<b>EBIT margin in %</b> (EBIT/sales revenue) x 100%	4.22%	5.45%
<b>EBITDA margin in %</b> (EBITDA/sales revenue) x 100%	5.41%	6.40%
<b>Gross margin on sales in %</b> (Gross profit on sales/Sales revenue) x 100%	19.19%	20.04%
<b>Net profit (loss) margin in %</b> (Net profit/Sales revenue) x 100%	2.89%	4.28%
<b>Return on assets ratio - ROA</b> (Net profit/Total assets) x 100%	7.29%	11.00%
<b>Return on equity ratio - ROE</b> (Net profit/Equity) x 100%	15.12%	21.31%

Decreased current assets, while reducing short-term liabilities, allowed the current ratio to remain stable at 1.48, similar to the previous year (up by 0.02). At the same time, due to the significant share of inventories in current assets (48.8%), the accelerated liquidity ratio decreased from 1.05 in the previous year to 0.76 in the current year. The lower cash balance at the end of 2022, had the effect of reducing the cash liquidity ratio to 0.54 from 0.80 in the previous year. Despite the decrease in liquidity ratios compared to the previous year, they remain at a safe level and show the stable

payment position of the Company. The significant increase in long-term lease liabilities was reflected in the total debt ratio, which stood at 51.80% at the end of 2022, against 48.38 at the end of the previous year. The significant increase in property, plant and equipment deteriorated the equity coverage ratio by 25.92 p.p. compared to 2021 and reached the value of 99.84%. Despite its deterioration, it is at a good and acceptable level, as the equity is constantly fully covered by fixed assets.

Liquidity and debt ratios	31.12.22	31.12.21
<b>Current liquidity ratio</b> (current assets / short-term liabilities)	1.48	1.46
<b>Accelerated liquidity ratio</b> (Current assets - inventories - prepaid expenses)/Short-term liabilities	0.76	1.05
<b>Cash liquidity ratio</b> (Cash and cash equivalents/short-term liabilities)	0.54	0.80
<b>Overall debt ratio in %</b> (Total liabilities/Total assets) x 100%	51.80%	48.38%
<b>Equity to fixed assets ratio</b> (Fixed assets/Equity) x 100%	99.84%	73.92%

Inventory growth of over 64% YoY resulted in the extension of the inventory turnover cycle to 44.72 days compared to 30.66 days in 2021. The receivables turnover cycle changed favourably from 13.98 days in 2021 to 10.68 in the current year. The decrease in this ratio, with increasing sales revenue, shows a faster collection of receivables, which is positive for the Company's finances. A positive trend is also shown by the liabilities turnover ratio, which reached 50.01 days, compared to the previous year's figure at a level of 59.26 days. The indicator showing the cash cycle in days remains at a good level, with a value of 5.4 days.

Assets turnover ratio	2022	2021
<b>Inventory cycle in days</b> (Inventories*360/cost of goods sold)	44.72	30.66
<b>Receivables cycle in days</b> (Trade receivables*360/Sales revenue)	10.68	13.98
<b>Current liabilities cycle in days</b> (Short-term liabilities*360/Sales revenue)	50.01	59.26
<b>Cash cycle in days</b> (inventory cycle + receivables cycle - current liabilities cycle)	5.40	-14.61

## 2.6. OTHER FINANCIAL INFORMATION

### 2.6.1. Credits and loans

OPONEO.PL S.A. has an option of using a multi-purpose credit facility contracted with BNP Paribas Bank Polska S.A. Total lending limit for three currencies: PLN, EUR, USD totalled PLN 167,700 thousand. The tenor of the loan is determined to 23 August 2028. The interest rate on the facility in PLN is the WIBOR base rate for monthly deposits, increased by a margin of 0.8 p.p. The interest rate on the EUR loan is the sum of EURIBOR 1M and a margin of 1.9 p.p., while the interest rate on the USD loan is based on the SOFR ON. plus a 1.9 p.p. margin.

As at 31 December 2022, the Company had no recourse to the multi-purpose facility. At the end of the previous accounting period, i.e. 31 December 2021, the lending facility was also not used.

The liability under the lending facility is secured by:

- blank bill of exchange,
- collateral mortgage up to PLN 50,000 thousand,
- assignment of claims under the real estate insurance contract,
- assignment of claims under the inventory insurance contract,
- Borrower's statement of submission to enforcement in favour of the Bank,
- registered pledge on warehouse stocks,
- transfer of existing and future receivables for all trade receivables due to the Borrower from all its debtors.

OPONEO.PL S.A. has a facility with mBank S.A. to use a lending line for financing current trade payments, granted on the basis of the agreement of 28 October 2020. The limit arising from this line amounts to PLN 60,000.00 thousand. The tenor for using the facility is determined by 30 June 2022. The interest rate on the facility is the WIBOR base rate for monthly deposits, increased by a margin of 1.0 p.p

As at 31 December 2022, the Company had zero utilisation rate of the loan.

The liability under the lending facility for financing the current operations is secured by:

- a blank promissory note with a declaration
- 2 blank promissory notes with a declaration - for any guarantees issued under the guarantee line.

On 16 February 2021, the Company entered into a non-revolving lending facility agreement with BNP Paribas Bank Polska S.A. for the amount of EUR 31,500 thousand which refinanced a significant part of own funds earmarked for the acquisition of ROTOPINO.PL SA. The loan bears interest based on a floating base rate of 3-month WIBOR + margin of 0.85 p.p. and is repayable in 60 monthly instalments (the last balancing instalment of PLN 12.6 million). The loan is secured by a blank promissory note, a contractual mortgage on the company's real estate, an assignment of the insurance policy for these properties and a pledge on the shares of the purchased company.

The Dadelo S.A. Company has a lending facility with BNP Paribas Bank Polska S.A. in the amount of PLN 5,000 thousand. The period of using the facility is determined from 20 September 2019 to 18 May 2023. As at 31 December 2022, the Company had no recourse to the lending facility.

On 14 March 2022, ROTOPINO.PL S.A. signed an annex to the lending facility agreement with BNP Paribas Bank Polska S.A. increasing the amount of the limit to PLN 10,000 thousand. The lending agreement was concluded on 1 July 2021 for a period of 120 months, i.e. until 30 June 2031. The liability under the facility to finance the company's current operations is secured by a blank promissory note; as at 31 December 2022, the utilisation rate of the lending facility amounts to PLN 7,598 thousand.

On 14 April 2022, OPONEO.PL S.A. granted a surety under civil law up to the amount of PLN 1,500 thousand as a collateral for a credit limit up to PLN 1,000 thousand in an overdraft account granted by BNP Paribas Bank Polska S.A. to the LAM S.A. Company. The tenor of the loan is determined to 03 November 2032. As at 31 December 2022, the LAM S.A. Company had no recourse to the lending facility.

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

### **Receivables and off-balance sheet liabilities**

In the reporting period, the Group continued lease agreements with Millenium Leasing Sp. z o.o. in Warsaw concerning the purchase of forklifts used to handle orders in the warehouses of the OPONEO.PL S.A. company. The lease term covers the years 2019-2024 for the total amount of PLN 1,824 thousand. The Group also continued its agreement concluded with BMV Financial Services Polska sp. z o.o. concerning the leasing of a passenger car for the gross value of PLN 228 thousand. The agreement covers the period of 2020-2023. The lease agreements are secured by blank promissory notes without protest issued by the Group.

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

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

The Group also has two lease agreements with Volkswagen Financial Services Polska Sp z o.o. for two passenger cars for the value of PLN 718 thousand, the term covers the years 2019-2025. The lease agreements are secured by blank promissory notes without protest issued by the Group.

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

Due to the change in the location of the warehouse for car tyres and accessories and the related increase in floorspace, the Group concluded new equipment lease agreements with Millenium Leasing Sp. z o.o. in the period from March to August 2022 concerning a set of goods storage racks and 38 lift trucks for the total amount of PLN 5,017 thousand. The agreements were concluded for a period of five years, i.e. until 2027. The lease agreements are secured by blank promissory notes without protest issued by the Company.

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

In 2022, the Group concluded a new lease agreement for additional office space in Arkada Business until 2027. The values were measured for the amount of PLN 281 thousand as the value of the fees discounted using the annual discount rate of 5%. The lease agreements are secured by a security deposit of PLN 179 thousand.

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

In 2022, the Group concluded long-term lease agreements for warehouse space intended for the storage of commercial goods, presenting them as leases in the accounts under IFRS "Leases". The values were assessed as the value of the fees, discounted using an annual discount rate of 7.26% for an amount of PLN 61,397 thousand in relation to the lease agreement for warehouse space in Zelgoszcz and 6.81% for the amount of PLN 8,851 thousand in relation to the lease agreement for warehouse space in Bydgoszcz. The warehouse space in Bydgoszcz is used by companies in the Group.

There were no other significant off-balance sheet items in the OPONEO.PL Capital Group in 2022.

## 2.7. OUTLOOK FOR OPONEO.PL GROUP AND OPONEO.PL S.A.

### 2.7.1. External factors affecting the results

#### GDP dynamics and inflation

In 2023, high inflation accompanied by high interest rates will have the major impact on businesses and consumers. Inflation reduces the purchasing power of money and the high cost of capital inhibits individual consumption and business investment. In view of the continuing war in Ukraine, persistently high prices for oil, gas and energy factors should be expected. In Poland, the record high prices of CO<sub>2</sub> emission allowances directly contributed to the increase in energy prices. The current uncertain situation regarding the development of the war in Ukraine and the sanctions imposed on Russia, increases concerns of further price increases and possible energy and energy commodity shortages in the coming months. At the same time, the high exchange rates of foreign currencies against the Polish currency, cause a significant increase in the prices of imported products and translate into sales volumes.

The GDP projection for Poland for 2023, presented by the National Bank of Poland in November 2022, assumes the achievement of growth at a level of 0.7%<sup>22</sup>, although as recently as July 2022 the projection oscillated around 1.4%. Experts even refer to the potential technical recession in 2023. The NBP analysts primarily indicate the strong negative supply shock resulting from Russia's aggression against Ukraine, the marked slowdown abroad (particularly in the German economy), interest rate rises and the significant decline in inflows of European fund as factors directly affecting the domestic economy. The inflation projection for 2023 presented in the NBP projection, assumes that average annual inflation in 2023 will settle at a level of approximately 13.1%.

On 10 March 2023, the NBP presented a new GDP growth projection for 2023, according to which the GDP growth rate will range from -0.1% to 1.8%. The projection was prepared assuming unchanged interest rates and the probability of materialisation is 50%.<sup>23</sup> The current projection was affected by the reduction in the price of natural gas and hard coal on world markets, as well as expectations of their future levels formulated on the basis of forward contract valuations. The NBP analysts also adjusted the path of agricultural commodity prices downwards, especially for wheat and rapeseed, amid the extension of the agreement allowing their export from Ukraine via the Black Sea.

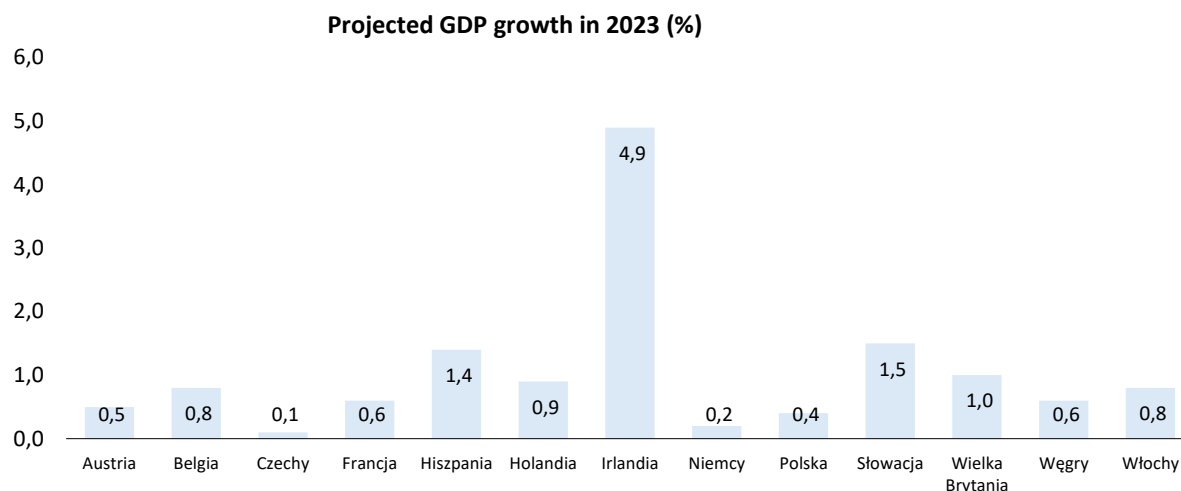
Also in the European Union, GDP growth will be quite limited. The European Commission forecasts an economic growth rate of approx. 0.8% in 2023 and 0.9% in the euro area.<sup>24</sup> The forecast concerning the development of the headline inflation rate in 2023 assumed its to decrease to approximately 6.4%. Despite the unfavourable picture of the European economy, there are also positive signs that should inhibit the adverse developments. The decline in gas consumption in 2022 and the diversification of supply sources have resulted in the reference gas price falling below pre-war levels. 2022 has shown high resilience of households and businesses to energy shocks and record inflation. The European labour market managed quite well in 2022, recording its all-time lowest unemployment rate of 6.1%. The European economy, however, faces challenges resulting from high energy costs and increases in the price of basic commodities. The continued fight against inflation through monetary tightening will depress investment and, as inflation continues to exceed nominal wage growth, this will not benefit overall consumption.

<sup>22</sup> Source: NBP, Inflation and GDP projections - November 2022.

[[www.nbp.pl/home.aspx?f=/polityka\\_pieniezna/dokumenty/projekcja\\_inflacji.html](http://www.nbp.pl/home.aspx?f=/polityka_pieniezna/dokumenty/projekcja_inflacji.html)]

<sup>23</sup> Source: NBP, [[nbp.pl/projekcja-inflacji-i-pkb-marzec-2023/](http://nbp.pl/projekcja-inflacji-i-pkb-marzec-2023/)]

<sup>24</sup> Source: European Commission, [[economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/winter-2023-economic-forecast-eu-economy-set-avoid-recession-headwinds-persist\\_en#executive-summary](https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/winter-2023-economic-forecast-eu-economy-set-avoid-recession-headwinds-persist_en#executive-summary)]



Sources: Eurostat, [ec.europa.eu] (EU) and Office for National Statistics, [ons.gov.uk] (United Kingdom)

Austria	Belgium	Czechia	France	Spain	Netherlands	Ireland	Germany	Poland	Slovakia	UK	Hungary	Italy
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The GDP figures shown in the chart above, forecast by the European Commission for the European Union countries and by the Office for National Statistics for the United Kingdom, show values below the statistical error in most countries. Consequently, the performance of forecasts is subject to a high degree of risk and uncertainty as to their magnitude and direction of change. Scenarios in which the accumulation of adverse developments in the economy results in GDP declines in some countries, cannot be ruled out either.

The changes in the economy described are compounded by exchange rate fluctuations. The depreciation of the zloty in 2022 has a direct impact on the performance of companies and limits the dynamics of economic growth. The situation in the financial markets will significantly influence the results of the OPONEO.PL Group, especially the quotations of the zloty against the main currencies.

### E-commerce development

The habits and positive customer experience of e-commerce after a period of pandemic constraints are bound to remain for a long time and permanently change the image of online sales. Online shopping has become a daily habit for some consumers, and some even cannot imagine going back to buying selected products in traditional stores. In addition to the products that previously dominated online shopping, i.e. cosmetics, books, clothing, footwear, we are increasingly buying food, health, electronics or home furnishings.<sup>25</sup> Recent years have seen an acceleration in the transformation of some companies and industries towards e-commerce, and companies already operating in this market have strengthened their position. However, this is not happening spontaneously, as consumers are increasingly paying attention to the quality of products and service offered in remote channels. Therefore, online retailers care about the shopping experience of their customers and use more and more methods to retain and convince customers. Added to this is the development of new, user-friendly shopping platforms and sales through social media.

Analysts from Strategy& Poland forecast a steady growth of the e-commerce market in the coming years. They predict that by 2027, the value of the Polish online sales market will increase to PLN 187

<sup>25</sup> Websitebuilderexpert, [www.websitebuilderexpert.com/building-online-stores/ecommerce-statistics/]

billion.<sup>26</sup> They indicate that in addition to the linear growth factor initiated a few years ago, the main drivers of market growth include:

- a rise in inflation to become an important driver of growth in 2023, as a result of consumers seeking lower prices and shopping bargains;
- expansion of leading shopping platforms with aggressive pricing and greater price sensitivity of customers;
- the emergence of new technologies for building better customer shopping experience in the online channel. Additionally, speeding up and automation of logistics processes and introducing short-term financing for purchases;
- an increase of participation among “digital” consumers (the so-called Millennials and Generation Z), for whom online shopping is the natural, fastest and preferred form of shopping.

As consumers prioritise making their online shopping experience as convenient as possible, it will be important to develop new technologies to support the customers' purchase path at every stage of the process and to consciously manage their decision-making process. To ensure this, companies are developing new channels and customer-vendor contact points through enhancements to mobile apps, direct-to-consumer models, platforms and loyalty programmes.

Over the recent years, the term “green consumerism” has emerged, which is a social movement that includes customers choosing products that have the lowest negative impact on health and the environment.<sup>27</sup> They search for “green products” in online stores, the production of which generates less pollution of the environment. Customers also pay attention to the packaging, whether it is recycled or how biodegradable it is. In general, greater awareness of environmental protection and checking the carbon footprint of products is increasingly evident in customers' approach to purchasing. Environmentally-conscious customers are ready to pay more for environmentally-friendly products.

Business conducted by OPONEO.PL Group is based on online sales, therefore we develop new methods of promotion and reaching new customers. Above all, we focus on high-quality service, competitive pricing and fast order processing. The OPONEO.PL Group also pays particular attention to sustainable development, optimising processes that minimise the carbon footprint and selecting commercial partners who also pursue policies that support environmental protection.

### Legal changes in 2023

On 1 January 2023, the amendment of 4 November 2022 (Journal of Laws of 2022, item 2337) entered into force, amending, inter alia, the Act on Consumer Rights and the Civil Code - with regard to the rights enjoyed by consumers, as well as so-called privileged traders (to whom the provisions on consumers apply *mutatis mutandis*) in relations with traders (B2C). In particular, the changes concern the replacement of the trader's liability for defects in goods - regulated in the Civil Code's warranty provisions - with a new regime of liability for non-conformity of goods with the contract. The change is beneficial for consumers, as it means, among other things, the extension of the catalogue of cases where goods are not in conformity with the contract, as well as the introduction of facilitations at the stage of pursuing claims against the seller - e.g. through:

- extension of the period of the legal presumption that the non-conformity of the goods existed at the time of delivery to a period of 2 years from the date of delivery,
- requiring the seller to take back the non-conforming goods from the consumer, at the seller's own expense.

<sup>26</sup> Source: Strategy& Poland, [[www.strategyand.pwc.com/pl/pl/publikacje/2022/perspektywy-rozwoju-rynku-e-commerce-w-polsce-2018-2027.html](http://www.strategyand.pwc.com/pl/pl/publikacje/2022/perspektywy-rozwoju-rynku-e-commerce-w-polsce-2018-2027.html)]

<sup>27</sup> Dealavo, [[dealavo.com/en/e-commerce-trends-and-forecasts-to-prepare-for-in-2022/](http://dealavo.com/en/e-commerce-trends-and-forecasts-to-prepare-for-in-2022/)]

- introduction of a presumption that the non-conformity of the goods with the contract reported by the consumer is material - thus making it possible to withdraw from the sales contract and claim reimbursement of the price.

In addition, the amendment makes it much easier to exercise the right of withdrawal without giving any reason (the so-called "right of return") - for contracts concluded during an unannounced visit of the trader to the consumer's home or habitual consumer's residence or a tour.

The adopted Regulation of the Council of Ministers on the amount of the minimum wage and the amount of the minimum hourly rate in 2023 of 13 September 2022 (Journal of Laws of 2022, item 1952) - pursuant to which:

- as of 1 January 2023, the minimum wage will amount to PLN 3490 and the minimum hourly rate will amount to PLN 22.80,
- as of 1 July 2023, the minimum wage will amount to PLN 3600 and the minimum hourly rate will amount to PLN 23.50,

means that the minimum wage and the minimum hourly rate will be updated twice in 2023 in the companies of the OPONEO.PL Group.

#### 2.7.2. Planned measures

In 2023, the OPONEO.PL Group plans to:

- consolidate its position as the country's leader in online sales of tyres and rims by further developing sales of these ranges;
- optimise sales in foreign markets;
- develop the sale of bicycles and bicycle parts and accessories through its subsidiary, Dadelo S.A.;
- strengthen the position of the subsidiary, ROTOPINO.PL S.A. in the market of online sellers of tools and power tools both in Poland and in the EU;
- lead efforts to expand the range of products offered online;
- improve logistics processes, including the development of automated goods issuing processes.

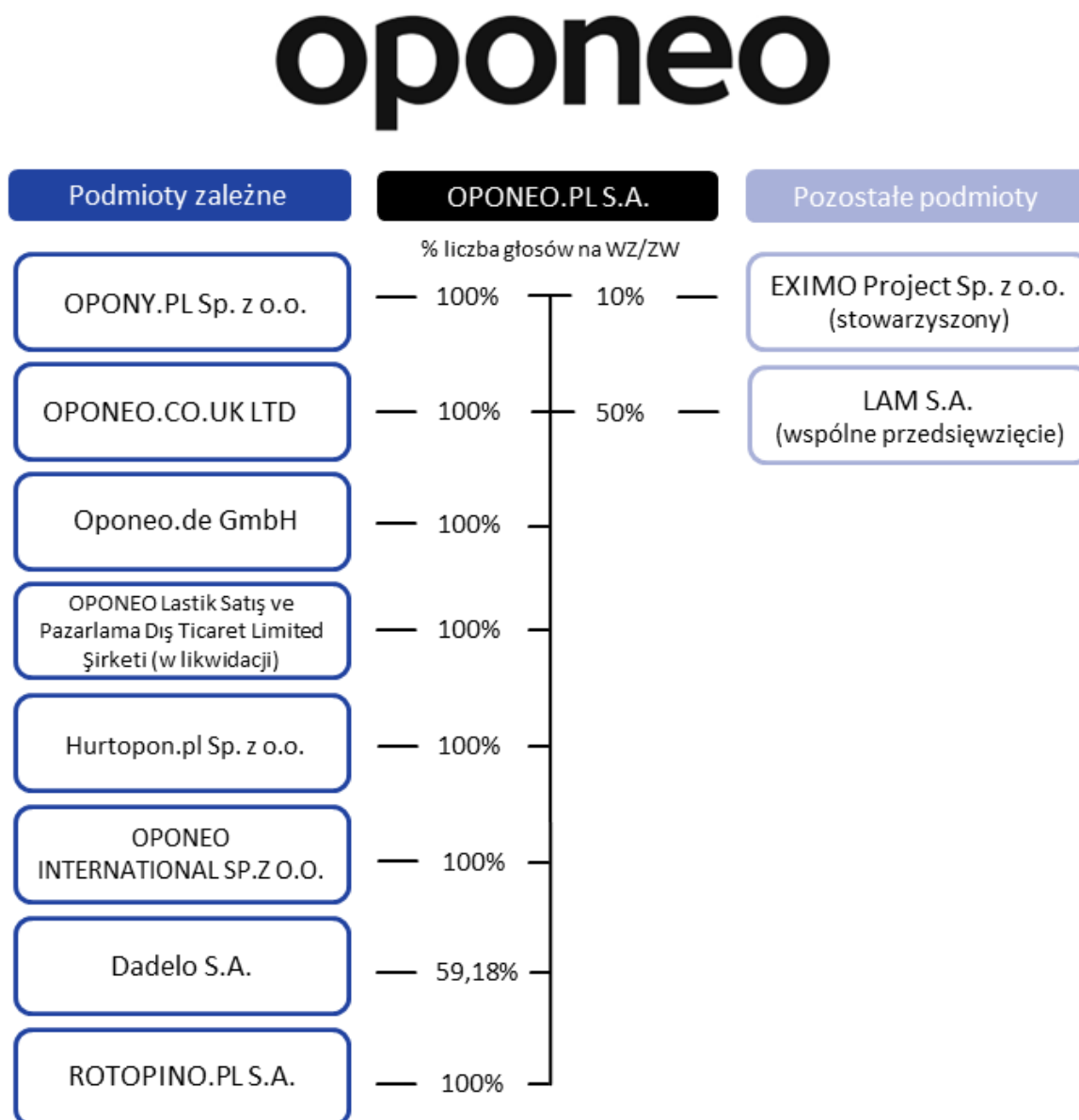
### 3. ACTIVITIES OF THE OPONEO.PL GROUP IN 2022



### 3. ACTIVITIES OF THE OPONEO.PL GROUP IN 2022

#### 3.1. STRUCTURE OF OPONEO.PL GROUP

The composition of the OPONEO.PL Group as at 31 December 2022 was as follows:



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

The OPONEO.PL Group comprises entities operating on the e-commerce market or in the area of its infrastructure. OPONEO.PL S.A. - as the parent company - performs control functions in the supervisory bodies of the companies and takes key decisions concerning both the scope of operations and the finance of the entities that make up the Group. OPONEO.PL S.A.'s capital links with the companies strengthen their commercial ties. The Company's transactions with its subsidiaries take place on an arm's length basis.

#### Changes in the OPONEO.PL Group in 2022:

- OPONEO's subsidiary, OPONEO Lastik Satış ve Pazarlama Dış Ticaret Limited Şirketi, with its registered office in Istanbul, Turkey, is subject to the process of liquidation.
- On 13 October 2022, the District Court in Bydgoszcz registered the merger of OPONEO.PL S.A. with its registered office in Bydgoszcz with OPONEO BRANDHOUSE Spółka z ograniczoną odpowiedzialnością Inwestycje spółka komandytowo-akcyjna with its registered office in Bydgoszcz (for more details, see current report No. 57/2022).

#### Changes in the structure of OPONEO.PL Group after the balance sheet date

There were no changes in the OPONEO.PL Group after the balance sheet date.

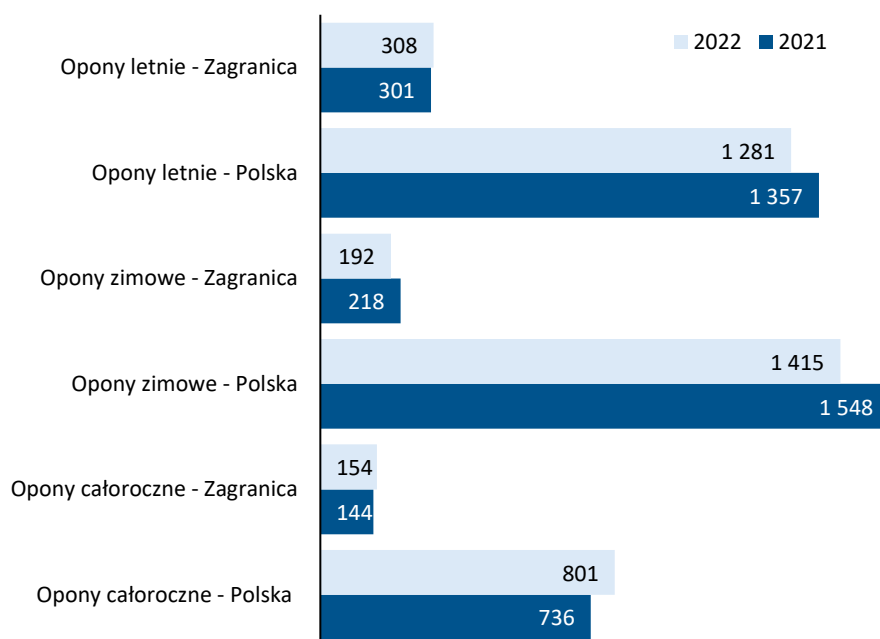
### 3.2. STRUCTURE OF SALES OF THE OPONEO.PL GROUP

In 2022, the OPONEO.PL Group sold 4,151 thousand tyres, 3.56% less than a year earlier. The decline in sales is associated with the general trend in the tyre market, with a drop in sales of approximately 4% in Poland and approximately 2% in the European market. The majority of tyres sold by the OPONEO.PL Group were sold on the Polish market, where the sales volume amounted to 3,496.5 thousand tyres, i.e. 84.2% of total sales, while 654.5 thousand tyres were sold on foreign markets.

Number of tyres sold by the OPONEO.PL Group	2021			2022			Change YoY - total
	Country	abroad	Total	Country	abroad	Total	
Car tyres	3,618,404	646,773	4,265,177	3,473,848	635,434	4,109,282	-3.66%
Motorbike tyres	21,843	17,133	38,976	22,614	19,057	41,671	6.91%
Truck tyres	50		50	25		25	-50.00%
<b>Total</b>	<b>3,640,297</b>	<b>663,906</b>	<b>4,304,203</b>	<b>3,496,487</b>	<b>654,491</b>	<b>4,150,978</b>	<b>-3.56%</b>

In the sales structure for 2022, winter tyres accounted for the largest share at a level of 38.7%. The total of 1,607 thousand were sold in the country and abroad. Similar sales level was recorded in the summer tyre segment, with 1,589 thousand pcs sold, accounting for 38.3% of total sales. In the current season, all-season tyres are increasingly in demand, accounting for 23.0% of all tyre sales with a volume of 955 thousand pcs. YoY growth in all-season tyre sales was 8.5%.

Number of tyres sold by the OPONEO.PL Group  
(in thous. pcs)



Opony letnie – zagranica	Summer tyres - abroad
Opony letnie – Polska	Summer tyres - Poland
Opony zimowe – zagranica	Winter tyres - abroad
Opony zimowe – Polska	Winter tyres - Poland
Opony całoroczne - Polska	All-season tyres – Poland
Opony całoroczne - zagranica	All-season tyres - abroad

In 2022, the OPONEO.PL Group sold 167.1 thousand rims (both aluminium and steel), 16.96% less than in the previous year. As every year, significantly more aluminium wheels were sold, accounting for 65.8% of the total volume in the sales structure. At the same time, their share of the structure increased by 3.6% compared to the previous year.

Number of rims sold by the OPONEO.PL Group	2021			2022			Change YoY - total
	Country	abroad	Total	Country	abroad	Total	
Aluminium rims	103,903	21,192	125,095	89,227	20,615	109,842	-12.19%
Steel rims	55,537	20,545	76,082	40,724	16,486	57,210	-24.80%
<b>Total</b>	<b>159,440</b>	<b>41,737</b>	<b>201,177</b>	<b>129,951</b>	<b>37,101</b>	<b>167,052</b>	<b>-16.96%</b>

### 3.3. ACTIVITIES OF SUBSIDIARIES INCLUDED IN THE OPONEO.PL GROUP

#### 3.3.1. OPONEO.PL S.A.

##### Core business

The core business of OPONEO.PL Capital Group is associated with the retail sales of tyres and rims via Internet, using the copyright e-commerce and IT solutions. The Company offers tyres for personal cars, vans, off-road vehicles (4x4) and quads, steel and aluminium rims, as well as wheel chains and other automotive articles.

As at the date of publication of the annual report, the Company sells tyres and rims online in Poland and in 9 other countries.

At the end of 2022, the following sites were directly owned by the Company:

- Oponeo.pl - the online store selling tyres and rims in Poland, offering tyre delivery to 1,164 tyre replacement services;
- Felgi.pl - the e-store specialising in the sale of alloy rims; the website also has a unique feature - a possibility of a virtual rim fitting;
- Oponeo.cz - the online tyre store in the Czech Republic; cooperates with 54 tyre replacement service points;
- Oponeo.sk - the e-store in Slovakia selling tyres for cars and motorcycles and rims; the store cooperates with 21 tyre fitters;
- Pneus-oponeo.be - the website in French for the sale of tyres and rims in Belgium, cooperating with 184 tyre fitters;
- Banden-oponeo.be - the website in Flemish for the sale of tyres and rims in Belgium;
- Oponeo.es, the website selling tyres, rims and chains on the Iberian Peninsula, cooperating with 1,308 tyre fitters;
- Oponeo.fr - the e-store of tyres, rims and chains for French customers, the stores offers a possibility of delivering tyres to 1,015 replacement services;
- Oponeo.it - the online store of tyres, rims and chains for Italian customers also offering delivery to 1,649 tyre fitting services;
- Oponeo.nl - the store offering car tyres, steel rims and chains and their possible delivery to 412 tyre replacement stations;
- Oponeo.at - online sale of tyres, steel rims and chains in Austria and possible delivery to 61 tyre replacement stations;
- Oponeo.ie - the e-store for car and motorcycle tyres and steel rims, supplying tyres free of charge in Ireland, also offering delivery to 62 tyre fitting services;
- Oponeo.hu - a website dealing with sale of car and motorbike tyres and alloy rims in Hungary.

At the end of 2022, the Company offered the delivery of tyres to replacement stations in Poland free of charge. In 2022, 7.47% of customers used the online shopping service with the option to book a tyre replacement at the service of their choice .

##### Sales results

In 2022, OPONEO.PL S.A. sold 3,907.6 thousand tyres, a slight decrease of 2.5% compared to the previous year. At the same time, 3,496.5 thousand tyres were sold in the country, i.e. 89.5% of the total number of tyres sold. Through overseas sites, the Company sold 411,1 thousand pcs, an increase of 11.7% compared to 2021. Car tyres represented the main product sold by the Company, which accounted for 99.1% of total sales volume. Almost 7% growth was recorded by the company in motorcycle tyre sales.

Number of tyres sold by the OPONEO.PL S.A.	2021			2022			Change YoY - total
	Country	abroad	Total	Country	abroad	Total	
Car tyres	3,618,404	355,511	3,973,915	3,473,848	397,021	3,870,869	-2.59%
Motorbike tyres	21,843	12,422	34,265	22,614	14,047	36,661	6.99%
Truck tyres	50		50	25		25	-50.00%
<b>Total</b>	<b>3,640,297</b>	<b>367,933</b>	<b>4,008,230</b>	<b>3,496,487</b>	<b>411,068</b>	<b>3,907,555</b>	<b>-2.51%</b>

Sales of steel and aluminium rims in 2022 closed at 159,5 thousand pcs. The prevailing product in rim sales were aluminium rims with a 66.0% share of total rim sales.

Number of rims sold by the OPONEO.PL S.A.	2021			2022			Change YoY - total
	Country	abroad	Total	Country	abroad	Total	
Aluminium rims	103,903	16,491	120,394	89,227	16,110	105,337	-12.51%
Steel rims	55,537	16,921	72,458	40,724	13,478	54,202	-25.20%
<b>Total</b>	<b>159,440</b>	<b>33,412</b>	<b>192,852</b>	<b>129,951</b>	<b>29,588</b>	<b>159,539</b>	<b>-17.27%</b>

### Organisation and Infrastructure

The company has a modern logistics centre in Zelgoszcz near Łódź, covering a total area of 72 thousand m<sup>2</sup>. The warehouse is located close to three main sorting centres of DPD (OPONEO.PL's main partner in the scope of courier services): Stryków sorting plant at a distance of 3 minutes' drive, Warsaw sorting plant - 1.5 hours away and Ruda Śląska sorting plant - 2.4 hours away. This provides the ability to handle very high volumes per day (50 thousand tyres) to individual customers and to process customer orders quickly. By locating the warehouse in this way, transport costs and distances have been reduced and optimised, which undoubtedly also contributes to lower CO<sub>2</sub> emissions.

By developing and continuously improving logistics processes, the OPONEO.PL S.A. Company will install an automatic tyre dispensing line in its warehouse in Zelgoszcz, which will speed up, improve the quality of service and increase the efficiency of customer order fulfilment. Depending on the possibilities, the Company intends to take advantage of the robotisation relief when implementing this investment.

Internet sales are carried out by means of IT solutions developed and improved in-house by the extensive IT Department, which forms an integral part of the Company. The Company is continuously improving the security of its IT infrastructure as well as external and internal security measures. An in-house backup centre allows all accounting and sales support systems to operate without interruption. In order to enhance resilience against potential external threats and attacks, the company has introduced security policies for all employees, the compliance with which is continuously monitored by IT services.

As at 31 December 2022, the Company employed 335 staff, compared to 396 at the end of 2021, a headcount reduction of 15.4%. At the end of 2022, 54.6% of employees were employed in the Sales Department.

Headcount in OPONEO.PL S.A.	31 December 2021	31 December 2022
Sales Department	174	183
IT	73	85
Warehouse	83	0
Other departments	66	67
<b>Total</b>	<b>396</b>	<b>335</b>

### **Awards and distinctions**

In 2022, OPONEO.PL S.A. was once again recognised by its customers and awarded the Consumer Quality Leader distinction.

The high market position of online sales in the CSR category is confirmed by the e-commerce Poland Awards 2022 - Best in CSR.

The company was also once again recognised for its dynamic growth by the Forbes chapter and was among the winners of the Forbes Diamonds 2023 award.

In order to guarantee the high quality of products delivered to its customers, OPONEO.PL S.A. is certified by Michelin Approved Website, Continental Approved Website, Goodyear - Authorised Online Distributor.

### **3.3.2 Activities of other companies**

#### **Opony.pl Sp. z o.o.**

The core business of Opony.pl Sp. z o.o., with its registered office in Bydgoszcz, is the wholesale of parts and accessories for motor vehicles. The company owns the Opony.pl online store.

As at 31 December 2022, the equity of the Company amounted to PLN 1,130.2 thousand compared to PLN 977.5 thousand a year earlier. In 2022, the Company recorded the net profit of PLN 150.1 thousand, while in the previous year it generated the net loss of PLN -288.8 thousand.

As at 31 December 2022 Krzysztof Huss acts in the capacity of the President of the Management Board.

#### **OPONEO BRANDHOUSE Sp. z o.o. Inwestycje S.K.A.**

The subject of activity of OPONEO BRANDHOUSE Sp. z o.o. Inwestycje Spółka Komandytowo-Akcyjna with its registered office in Bydgoszcz was the management of shares in ROTOPINO.PL S.A., which OPONEO.PL S.A. sold in 2016.

On 13 October 2022, the District Court in Bydgoszcz registered the merger of OPONEO.PL S.A. with its registered office in Bydgoszcz with OPONEO BRANDHOUSE Spółka z ograniczoną odpowiedzialnością Inwestycje spółka komandytowo-akcyjna with its registered office in Bydgoszcz (for more details, see current report No. 57/2022).

#### **HURTOPON.PL Sp. z o.o.**

HURTOPON.PL Sp. z o.o. with its registered office in Bydgoszcz was established in 2005. Its core business is to provide companies in the tyre, automotive and transport industries with an online trading platform. On this platform, wholesalers display offers for the sale and purchase of tyres and rims.

HURTOPON.pl Sp. z o.o. does not itself offer any products and is not a party to contracts between users and bidders.

As at 31 December 2022, the share capital of this company amounted to PLN 360 thousand and has not changed during the year.

As at 31 December 2022, the equity of the Company amounted to PLN 238.9 thousand compared to PLN 189.6 thousand a year earlier. In 2022, the Company recorded net profit of PLN 56.1 thousand compared to PLN 116.4 thousand in 2021.

In 2022, Krzysztof Huss acted in the capacity of the President of the Company. The Management Board of the Company was a single-person board.

#### **OPONEO.CO.UK LTD**

The core business of OPONEO.CO.UK LTD, with its registered office in London, is the online retail sales of automotive supplies, tyres and vehicle parts. The company operates in the United Kingdom through the Oponeo.co.uk platform. The average delivery time of goods purchased in the territory of the United Kingdom is 2-5 working days. At the end of 2022, the Company cooperated with 687 tyre fitting service providers which it supplies with tyres free of charge. The British market is one of the largest markets for replacement tyres in Europe (according to the European Automobile Manufacturers Association).

At the end of 2022, the Management Board of the Company consisted of:

- Dariusz Topolewski - President of the Management Board,
- Ernest Pujzo - Member of the Management Board,
- Seweryn Rutkowski - Member of the Management Board,

As at 31 December 2022, the Company's share capital amounted to GBP 100. At the end of 2022, the assets of OPONEO.CO.UK LTD amounted to PLN 5,269.2 thousand (at the end of 2021, PLN 6,267.3 thousand). The company closed 2022 with a net profit of PLN 35.5 thousand, compared to the profit of PLN 522.2 thousand in the previous year.

#### **Oponeo.de GmbH**

Oponeo.de GmbH, with its registered office in Berlin, sells tyres and rims as well as equipment and spare parts for cars and motorcycles online. The company operates through the Oponeo.de platform in Germany. Goods are dispatched at the company's expense and reach customers within 2-4 days on average.

The German market is the largest market for tyre sales in Europe.

As at 31 December 2022, the Company's share capital amounted to GBP 25 thousand. The assets of the Company amounted to PLN 4,517.2 thousand, compared to PLN 6,146.4 thousand at the end of the previous year. In 2022, the Company recorded the net profit of PLN 43.1 thousand, compared to the net profit of PLN 684.3 thousand generated in the previous year.

In 2022, Krzysztof Huss acted in the capacity of the President in a single-person Management Board.

#### **OPONEO Lastik Satış ve Pazarlama Dış Ticaret Limited Şirketi**

OPONEO's subsidiary, OPONEO Lastik Satış ve Pazarlama Dış Ticaret Limited Şirketi, with its registered office in Istanbul, Turkey, is subject to the process of liquidation.

#### **Dadelo S.A.**

Dadelo S.A. with its registered office in Bydgoszcz is a bicycle retailer and at the same time the largest seller of bicycle parts on-line through the domain Dadelo.pl and Centrumrowerowe.pl. In addition, the e-store's offer also includes clothing and footwear for cycling enthusiasts, electronic devices

(such as cycle counters, heart rate monitors, watches, GPS), as well as nutrition and cosmetics. In total, the e-store offers more than 20 thousand products with a unique digital identifier.

The company cooperates with 315 bicycle pick-up points, where customers can collect their purchased bicycle ready to ride.

In 2022, the Management Board of the Company consisted of the following members:

- Ryszard Zawieruszyński – President of the Management Board
- Wojciech Topolewski – Member of the Management Board
- Jacek Zieziulewicz – Member of the Management Board.

At the end of 2022, the share capital of the Company amounted to PLN 2,320.9 thousand. As at 31 December 2022, the assets of Dadelo S.A. amounted to PLN 119,684.6 thousand compared to PLN 110,002.4 thousand in the previous year. According to IAS standards, the Company ended 2022 with the net profit of PLN 3,916.6 thousand, compared to the net profit of PLN 6,023.7 thousand in 2021. The Company is listed on the Warsaw Stock Exchange.

### **ROTOPINO.PL S.A.**

On 29 December 2020, an agreement was concluded between TIM S.A., with its registered office in Wrocław, and OPONEO.PL S.A., with its registered office in Bydgoszcz, transferring the ownership of 100% of the shares of ROTOPINO.PL S.A. as a result of which OPONEO.PL S.A. became the owner of 100% of the shares in ROTOPINO.PL S.A.

ROTOPINO.PL S.A. with its registered office in Bydgoszcz is a company operating on the domestic and foreign market, the basic activity of which is online sales of tools and power tools. The company owns over a more more than ten online shops, including narzedzia.pl and rotopino.pl. The dynamic development of the company over recent years has enabled it to take a leading position on the domestic market.

In 2022, the Management Board of the Company consisted of the following members:

- Paweł Sznajder – President of the Management Board,
- Agnieszka Kozieł - Member of the Management Board,
- Anna Muller - Member of the Management Board.

As at 31 December 2022, the capital of the Company amounted to PLN 1,000 thousand, whereas the Company's assets showed a balance of PLN 32,984.1 thousand, compared to PLN 34,077.7 thousand in 2021. The Company closed 2022 with the net loss of PLN -1,561.1 thousand, whereas in 2021 it generated the net profit of PLN 2,156.9 thousand.

### **Oponeo International sp. z o.o.**

The Company was established under the Memorandum of Association concluded on 01 June 2020. Its main task is to operate the sales of tyres, rims and automotive accessories in foreign markets, currently primarily in Italy and France.

As at 31 December 2022, the Company's share capital amounted to PLN 150 thousand, while the Company's assets closed at PLN 3,145.1 thousand. In 2022, the Company generated the profit of PLN 44.9 thousand, compared to PLN 106.3 thousand in the previous year.

In 2022, Krzysztof Huss acted in the capacity of the President in a single-person Management Board.

### 3.4. KEY BUSINESS RISKS

#### 3.4.1. Financial risk

The activities of the OPONEO.PL Group are affected by:

- Currency risk

Currency risk - the Group conducts trading outside Poland, mainly in the territory of the European Union, resulting in currency fluctuations affecting the results achieved by it. The Group seeks to balance income and expenses in a given currency and enters into *forward* hedging contracts for payments and receivables in foreign currencies. The amount of foreign currency purchases is estimated approximately one month in advance of the current selling season. This is the moment when the national corporations announce their price lists and present their purchasing terms. These elements serve as a benchmark for deciding on the volume of foreign currency purchases. When calculating purchase prices in PLN, the exchange rates at the time of estimating the volume of purchases are used. In terms of servicing and hedging foreign exchange transactions, the Parent Company cooperates with BNP Paribas Bank Polska SA.

- Interest rate risk

Companies of the OPONEO.PL Group use lending facilities with floating interest rates, therefore increases in official interest rates may create a risk of a rise in the Group's financing costs. The Group makes limited use of hedging instruments for interest rate risk.

- Credit risk

The risk can arise from a volatile economic growth that will impair the payment position of customers. However, such risks are negligible as payments for goods are largely made through payment before delivery (cards, instant transfers) and collection of cash on delivery. When the Company grants trade credit to customers, they are subject to verification. Moreover, receivables arising from commercial activities are insured with KUKE S.A.

- Liquidity risk

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

#### 3.4.2. Risk associated with the macroeconomic situation

The financial situation of the OPONEO.PL Group depends on the economic situation of both Poland and the macroeconomic situation in the world, in particular on:

- the rate of economic growth and the contribution of consumption to the creation of GDP growth - an increase in the level of affluence of society and a situation favourable to purchasing decisions translate into an increase in demand for means of transport and their equipment. The economic recession, on the other hand, can lead to:
  - reduction in demand for tyres and other car accessories and a fall in their prices and dealer margins; at the same time, the low number of new registrations may have a positive impact on medium-term tyre demand associated with the replacement of old tyres with new ones;

- reducing the mileage of individual means of transport due to the lack of funds for their maintenance; this will result in less wear and tear on tyres, thereby reducing the need to replace them.
- monetary policy, including the level of interest rates, which, together with banks' lending policies, determine the level of credit purchases;
- situation on the currency markets and the exchange rate of the zloty - a significant depreciation of the zloty, affecting the increase in the prices of imported goods, may translate into a decrease in demand for imported cars and accessories. On the other hand, the depreciation of local currencies in relation to the euro, for which OPONEO.PL Group buys the products it sells, adversely affects the Group's competitive position in local markets;
- increases in raw material prices, primarily oil and rubber, which will lead to higher tyre prices;
- overproduction of tyres, which could result in a drop in tyre prices;
- increasing competition in the market - low barriers to entry for online stores can lead to increased competitive pressure and falling margins.

#### 3.4.3. Strategic risk

Strategic risks are related to the financial consequences that may be caused by making wrong decisions in the Group's long-term plans due to an inadequate assessment of the factors affecting the development of the organisation; these are, in particular:

- pace of e-commerce development - a higher-than-accepted market growth rate may result in sales support processes not adapted to the increased needs of the market and the Group may lose its leading position in the market;
- technological innovations - e.g. new tyre manufacturing technology, use of drones in parcel delivery, etc.;
- future customer preferences for the use of the latest technologies (mobile sales, abandoning private cars in favour of public transport, or the widespread transport of semi-trailers by rail to protect the environment).

#### 3.4.4. Operational risk

When operating in the area of e-commerce, OPONEO.PL Group is exposed to the following risks:

- IT risks, i.e. problems related to:
  - ensuring the operational continuity of applications - potential problems with the proper functioning of IT systems could mean reduced volumes or even prevent sales. To prevent such a situation, the Group uses high-quality IT equipment with a low failure rate and protects itself by fully multiplying hardware and software;
  - potential intrusions into systems - connecting IT systems to the Internet creates the risk of exposure to computer crimes committed via the network, such as hacking into and damaging or destroying a computer system or blocking services (*denial of service*). The Group does not underestimate these risks and maintains a team of people responsible for portal security and has appropriate security systems and procedures in place;
- risk of problems related to logistics, availability of goods in stock, picking and proper packaging of goods, cooperation with couriers;

- risks associated with overstocking - this is a risk resulting from an inadequate assessment of the situation, e.g. the weather - large tyre stocks generate additional costs and cause tyre ageing;
- risk associated with the concentration of the mass of goods in a single location - potential force majeure events (fire, flood, etc.) would result in a serious disruption to the continuity of supply to customers. In order to mitigate potential negative effects of this risk factor, a system has been put in place to systematically back up all information and possibly immediately restore the IT network on a contingency basis. Appropriate insurance contracts have also been concluded to guarantee coverage of any losses;
- risk of outflow of qualified staff - lack of qualified staff can lead to an increase in procurement errors.

#### 3.4.5. Legal risk

The activity of OPONEO.PL Group depends primarily on legal changes in the following areas:

- tax system - an increase in the fiscal burden can lead to reduction in the profitability of this activity;
- labour and social security law, which can translate into increased employment costs;
- regulation of telecommunications market players;
- amendments to environmental legislation, such as the introduction of a green tax.

In addition, there is a risk associated with differences in interpretation of tax legislation. The activities of the OPONEO.PL Group and its tax treatment in tax declarations and returns may be considered as non-compliant by tax authorities. The adoption by the tax authorities of an interpretation of the tax legislation that differs from that used to calculate the tax liability prepared by the Group could have a significant impact on its operations.

#### 3.4.6. Geopolitical risks

The Issuer does not operate in the Russian market and has no operations located in Ukraine. After a year of war in Ukraine, the negative impact of the conflict on the national, European and global economies can be seen. Both Ukraine and Russia play a key role in the energy raw material supply chain, which has translated into the availability and prices of these raw materials. On the other hand, high energy commodity prices have driven up the price of production, transport and services. The raging inflation in 2022 has caused a decline in consumer purchasing power. The National Bank of Poland, intending to curb the rise in inflation, consistently raised interest rates, which affected the availability of lending and significantly increased borrowing costs. In 2022, the zloty depreciated significantly against major currencies, increasing the price of imported goods and raw materials.

Analysing retail sales growth, as well as the number of car registrations in 2022, a significant deceleration in consumption and a reduction in spending by consumers and companies is visible. The next few months will show whether this tendency is sustainable or whether a change in trend occurs. At this point, it is difficult to accurately estimate the actual impact of the economic situation on the future performance of the Company and the Group.

### 3.5. CUSTOMER RELATIONS AND COOPERATION WITH SUPPLIERS

The customers of the OPONEO.PL Group are mainly individual customers. The Group takes into account their diverse needs and preferences:

- the Group's offering in all markets includes approximately 91.4 thousand tyres, including 5.3 thousand models from 255 manufacturers. These are tyres that are at maximum 18 months old from the date of manufacture. This means that the OPONEO.PL Group applies standards twice as stringent as those prescribed by the Polish standard PN-C94300-7;
- shipping costs - surveys show that these are some of the main factors encouraging individual customers to buy online. Most of the stores belonging to the OPONEO.PL Group deliver the purchased goods to the customers free of charge;
- speed of delivery - in the territory of Poland, purchased goods are usually delivered within 24 hours;
- form of payment - customers can use various forms of payment, including - in some stores - instalment purchases;
- information - the Group's portals provide customers with the largest database of information and opinions on automotive issues in Poland. Customers can also benefit from various guides on the selection and use of tyres. This information also includes tests of newly launched products carried out by specialists from the OPONEO.PL Group;
- fitting - in many countries, the OPONEO.PL Group offers its customers a possibility of having their orders delivered to a tyre replacement service. At the end of 2022, this network consisted of 6,700 fitting points.

Customers rate the quality of the Group's services highly, as evidenced by the average ratings of customers of OPONEO.PL Group companies participating in the Opineo Programme *I Listen to My Customers*. In the 2022 e-commerce service quality ranking, the Oponeo.pl store took 2nd place in the Automotive category, the Centrumrowerowe.pl shop took 3rd place in the Sport category, while the Narzedzia.pl shop took 3rd place in the Garden category.

Store	Rating in Opineo*	Delivery costs	Speed of dispatch	Instalment purchases
Oponeo.pl	4.8	Free of charge	24 hours	yes
Centrumrowerowe.pl	5	Free of charge	24h	yes
Narzedzia.pl	4.9	Free of charge	24h	yes

\*rating on a five-point scale

The Oponeo.pl and Centrumrowerowe.pl e-stores are awarded an Opineo Certificate by Opineo. This certificate is awarded to stores with a verified reputation which successively improve the level of service provided. The fulfilment of formal criteria regarding the rules for online sales and the publication of all required information and policies are subject to periodic verification by Opineo experts.



Due to the business profile of the OPONEO.PL Group, the main suppliers are tyre manufacturers and wholesalers. In 2022, no manufacturer has reached the threshold of at least 10% of revenue.

### 3.6. HEADCOUNT

As at 31 December 2022, the OPONEO.PL Group employed the total of 485 employees. Throughout the year, the headcount was reduced by 56 employees. The reduction in employment resulted mainly from the outsourcing of warehouse services by OPONEO.PL S.A.

Employment in the OPONEO.PL Group	31.12.21	31.12.22
Sales Department	237	244
IT	81	90
Warehouse	110	34
Other departments	113	117
<b>Total</b>	<b>541</b>	<b>485</b>

### 3.7. OTHER INFORMATION

#### 3.7.1. Disputable cases

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

In 2022, as well as by the date of submission of the periodic report concerned, there were no proceedings pending or in progress before any court, the authority competent for arbitration proceedings or the public administration body concerning liabilities or receivables of the Company and its subsidiaries in the OPONEO.PL Group.

#### 3.7.2. Transactions with related parties

In the period covered by this report neither one nor many transactions were concluded in the OPONEO.PL Group on terms other than arm's length basis.

In the financial statements of the OPONEO.PL Group for the period from 1 January to 31 December 2022, mutual transactions of fully consolidated related parties have been eliminated.

## 4. CORPORATE GOVERNANCE



## 4. CORPORATE GOVERNANCE

### 4.1. PRINCIPLES AND SCOPE OF APPLICATION OF CORPORATE GOVERNANCE

#### 4.1.1. Set of corporate governance principles

This declaration on the application of the corporate governance principles in OPONEO.PL S.A. is submitted in accordance with the requirements stipulated in the Regulation of the Minister of Finance of 29 March 2018 concerning current and periodical information submitted by issuers of securities and conditions to recognise as equivalent information required by legal regulations of a non-member state of the EU (Journal of Laws of 2018, item 757).

OPONEO.PL S.A. applies the principles of corporate governance contained in the *Best Practice for WSE Listed Companies 2021*, which were adopted by a resolution of the Supervisory Board of Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.) on 29 March 2021.

The text of the current set of principles is publicly available on the official website of the Warsaw Stock Exchange dedicated to corporate governance issues of companies listed on the WSE Main Market: [www.gpw.pl/dobre-praktyki2021/](http://www.gpw.pl/dobre-praktyki2021/).

The Management Board of OPONEO.PL S.A. informs that it has made every effort to ensure that the information policy pursued is transparent and effective and to ensure, to the highest extent possible, adequate communication with investors and analysts.

In the framework of its information policy, the Management Board of OPONEO.PL S.A. contacts investors directly, i.e. at meetings of the Management Board with investors, during teleconferences and through the Investor Relations Department, which responds to individual enquiries from investors and to enquiries sent by e-mail to [ir@oponeo.pl](mailto:ir@oponeo.pl).

In 2022, the Company continued to maintain the website addressed to investors where it makes available all information about the Company necessary for a proper assessment of its standing and prospects, including data on financial performance, actions taken by the Management Board and other significant events concerning the operations of the Company. Data published in the investor relations service of OPONEO.PL S.A: [www.ir.oponeo.pl/](http://www.ir.oponeo.pl/) are updated on an ongoing basis.

#### 4.1.2. Waiver of application of corporate governance rules

In 2022, the Company did not apply the following principles indicated in the *Best Practice for WSE Listed Companies 2021*:

Principle	Commentary of OPONEO.PL S.A.
<b>1. Disclosure policy, investor communications</b>	
<b>1.3.</b> The company also integrates ESG factors in its business strategy, including in particular: <b>1.3.1.</b> environmental factors, including measures and risks relating to climate change and sustainable development;	The principle is partially applied. The Company is not required to publish the Statement on non-financial data as required by the amendments to the Accounting Act of 29 September 1994 (consolidated text, Journal of Laws of 2017, item 2201, as amended) resulting from the

**1.3.2.** social and employee factors, including among others actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees' rights, dialogue with local communities, customer relations.

transposition of Directive 2014/95/EU into Polish law, since, as at the date of publication of this report, it does not meet the requirements set out in the Accounting Act imposing the obligation to prepare the aforementioned document either at the level of the Parent Company OPONEO.PL S.A. or at the level of the OPONEO.PL Group. However, OPONEO.PL S.A., while supporting the intention of increasing the transparency of social and environmental information, acting in the spirit of sustainable development and analysing the dynamic growth of the OPONEO.PL Group prepares and publishes a document "Non-financial aspects of OPONEO.PL operations" in the annual reports of the Management Board, which addresses climate change and sustainable development issues, as well as social and labour issues. The aforementioned document is also published separately on the Company's corporate website [www.ir.oponeo.pl](http://www.ir.oponeo.pl) under the CSR tab.

**1.5.** At least once a year, the company discloses the expenditure incurred by it and its group for supporting culture, sport, charitable institutions, the media, social organisations, trade unions, etc. Where the company or its group has incurred expenditure for such purposes in the year under review, the disclosure shall include a breakdown of such expenditure.

The principle is not applied. The company does not disclose a breakdown of expenditure for the above purposes, part of the expenditure is related to contracts, the terms of which are subject to trade secret.

## 2. Management Board and Supervisory Board

**2.1.** The Company should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.

The principle is not applied to the extent that a diversity policy with regard to the management board and the supervisory board should be adopted by the supervisory board or the general meeting, respectively, and due to the extent of gender diversity - the Company does not meet the condition of diversity in the Company's bodies at a level of not less than 30%. Nevertheless, as at the date of publication of the 2021 annual report 49% of the Company's employees were women. The company aims to ensure diversity in gender, educational direction, age and work experience. The Company has in place a Diversity Policy adopted by the Management Board that applies to all employees of the Company and incorporates policies that support anti-discrimination in employment. To this end, internal regulations

have been developed to enhance diversity and provide equal opportunities for professional development among those employed. OPONEO.PL S.A. as a company with international range of operations employs people of different nationalities.

**2.2.** Persons taking decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.

The principle is not applied to act on the basis of the diversity policy for the management board and the supervisory board adopted by the supervisory board or the general meeting, respectively, referred to in principle 2.1. and to ensure gender comprehensiveness. However, persons taking decisions to elect members of the management board or the supervisory board seek to ensure diversity in gender, educational direction, age and work experience. However, the choices made by decision-makers are always limited by the range of applications submitted.

**2.11.** In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following:

**2.11.1.** information about the members of the supervisory board and its committees, including indication of those supervisory board members who fulfil the criteria of being independent referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and those supervisory board members who have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company, and information about the members of the supervisory board in the context of diversity;

**2.11.2** summary of the activity of the supervisory board and its committees;

**2.11.3.** assessment of the company's standing on a consolidated basis, including assessment of the internal control, risk management and compliance systems and the internal audit function, and information about measures taken by the supervisory board to perform such assessment; such assessment should cover all significant controls, in particular reporting and operational controls;

**2.11.4.** assessment of the company's compliance with the corporate governance principles and the

Principle 2.11.5 is not applied due to the lack of publication of the data referred to in principle 1.5. Principle 2.11.6 is not applied due to the lack of a diversity policy adopted by the supervisory board and the general meeting respectively, to which principle 2.1 refers.

manner of compliance with the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules and the regulations on current and periodic reports published by issuers of securities, and information about measures taken by the supervisory board to perform such assessment;

**2.11.5.** assessment of the rationality of expenses referred to in principle 1.5;

**2.11.6.** information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.

### 3. Internal systems and functions

**3.2.** The Company's organisation includes units responsible for the tasks of individual systems and functions unless it is not reasonable due to the size of the company or the type of its activity.

The principle does not apply to the Company. Separation within the structure of units responsible for the tasks of individual systems or functions

is not justified given the nature of the activity. Such activities are effectively implemented by individual

organisational units of the Company or specialised external entities (without a dedicated unit for this purpose).

**3.3.** A company participating in the WIG20, mWIG40 or sWIG80 index appoint an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such person should be appointed.

The principle is not applied. The Company does not have a separate position of person in charge of the internal audit function. The Company assesses that its internal systems and functions are operating efficiently and effectively.

**3.4.** The remuneration of persons responsible for risk and compliance management and of the head of internal audit should depend on the performance of delegated tasks rather than short-term results of the company.

The principle is not applied because, as indicated in the justification for not applying principle no. 3.2, no separate positions responsible only for risk management, internal audit and compliance have been identified in the Company.

**3.5.** Persons responsible for risk and compliance management report directly to the president or other member of the management board.

The principle is not applied because, as indicated in the justification for not applying principle no. 3.2, no separate positions

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responsible only for risk management, internal audit and compliance have been identified in the Company. In the Company's organisational structure, the directors of the various divisions in which, among other things, the aforementioned functions are carried out report to the President of the Company.

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**3.6.** The head of internal audit reports in organisational terms to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.

The principle is not applied as the Company does not apply principle 3.3. The Company does not have a separate position of person in charge of the internal audit function.

**3.7.** Principles 3.4 to 3.6 apply also to members of the company's group which are material to its activity if they appoint persons to perform such tasks.

The principle is not applied. In Group companies, the systems and functions referred to in principle 3.1 are carried out by different organisational units, and their remuneration and subordination do not always correspond to the principles set out in principles 3.4 to 3.6.

**3.8.** The person responsible for internal audit or the management board if such function is not performed separately in the company reports to the supervisory board at least once per year with their assessment of the efficiency of the systems and functions referred to in principle 3.1 and tables a relevant report.

The principle is not applied as the Company does not apply principle 3.3.

**3.9.** The supervisory board monitors the efficiency of the systems and functions referred to in principle 3.1 among others on the basis of reports provided periodically by the persons responsible for the functions and the company's management board, and makes annual assessment of the efficiency of such systems and functions according to principle 2.11.3. Where the company has an audit committee, the audit committee monitors the efficiency of the systems and functions referred to in principle 3.1, which however does not release the supervisory board from the annual assessment of the efficiency of such systems and functions.

The principle is not applied partially to the extent that the Supervisory Board should monitor the effectiveness of systems and functions based on the internal auditor's report. The Supervisory Board and the Audit Committee evaluate the systems and functions referred to in principle 3.1.

**3.10.** Companies participating in the WIG20, mWIG40 or sWIG80 index have the internal audit function reviewed at least once every five years by an independent auditor appointed with the participation of the audit committee.

This principle is not applied as the Company has not established an internal audit function and has not identified a position for a person in charge of the internal audit function.

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#### 4. General meeting, shareholder relations

**4.1.** The Company should enable its shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.

In the Company's opinion, there is no need to organise general meetings of shareholders by means of electronic communication, as the Company has not received any requests from shareholders in this regard so far. Moreover, the waiver of application of this principle also results from risks of a technical and legal nature related to the possibility of incorrect identification of shareholders entitled to participate in the general meeting, as well as risks concerning the breach of security and liquidity of electronic communication and the possible undermining of the resolutions adopted.

**4.3.** The Company provides a public real-life broadcast of the general meeting.

The rules in force for participation in the General Meeting enable the exercise of shareholding rights and safeguard the interests of all shareholders. The Company provides shareholders with a possibility to take part in the General Meeting personally or through a proxy. The Company carries out the information obligations imposed by law and promptly, no later than within 24 hours of the end of the General Meeting, provides information in the form of current reports on the content of the resolutions adopted and the results of any ballots and simultaneously publishes this information on the corporate website [www.ir.oponeo.pl](http://www.ir.oponeo.pl). Investors therefore have the opportunity to familiarise themselves with the relevant elements of the proceedings and issues raised at the General Meeting. The Company does not exclude the possibility of applying the aforementioned principle in the future, in particular if the need to make the broadcast of the general meeting available in real time by shareholders is raised.

#### 6. Remuneration

**6.2.** Incentive schemes should be constructed in a way necessary among others to tie the level of remuneration of members of the company's management board and key managers to the actual long-term standing of the company measured by its financial and non-financial results as well as long-term shareholder value

The principle does not apply to the Company.

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creation, sustainable development and the company's stability.

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**6.3.** If companies' incentive schemes include a stock option programme for managers, the implementation of the stock option programme should depend on the beneficiaries' achievement, over a period of at least three years, of pre-defined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such programme was approved.

The principle does not apply to the Company.

**6.4.** As the supervisory board performs its responsibilities on a continuous basis, the remuneration of supervisory board members cannot depend on the number of meetings held. The remuneration of members of committees, in particular the audit committee, should take into account additional workload on the committee.

The principle is not fully applied. The remuneration of the members of the Supervisory Board of the Company depends on the number of meetings held. In the Company's opinion, this does not adversely affect the supervisory board's performance. Nevertheless, the Company does not exclude taking steps to apply this principle in the future.

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#### 4.2. CONTROL AND RISK MANAGEMENT SYSTEMS IN THE PREPARATION OF FINANCIAL STATEMENTS

The accounting policy adopted for OPONEO.PL S.A. and its subsidiaries in accordance with the principles of the International Financial Reporting Standards represents the accuracy and reliability of the accounting records for these entities. In accordance with the Accounting Act of 29 September 1994, under which the Company's Management Board approved the documentation describing the accounting principles implemented by the Company, Polish accounting principles were applied in the preparation of separate financial statements of OPONEO.PL S.A. Since the Group was established in 2010, the separate and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. The process of preparing the financial statements is carried out with a strict and exception-free application of these principles.

The preparation of input data is subject to formalised operational and acceptance procedures that define the scope of competence of individual persons. The data entered in the General Ledger is based on entries in documents and Source Books. Through the application of a system of internal control over accounting and financial reporting, the Company ensures a fair and clear presentation of its financial and asset position.

The Management Board is responsible for the system of internal control and risk management and its effectiveness in relation to the financial reporting process.

The Company has documentation in place describing the adopted accounting principles defining the methods of valuing assets and liabilities and determining the financial result, as well as the method of keeping the books of account, the system of data protection and their collection. The prepared financial statements are formally approved by the chief accountant and then by the Management Board of the Company.

In the process of preparing the reports, a controlling element is the verification of the Company's financial statements and the financial statements of the Group companies by an independent auditor. The auditor's tasks include in particular: reviewing the interim financial statements and auditing the financial statements. The financial data underpinning the financial statements and interim reports is derived from the Company's monthly financial and operational reporting using the financial and accounting system. The preparation of financial statements and interim reports starts once the results of the completed period have been accepted. During the year, the Management Board and the Supervisory Board analyse, evaluate and monitor the financial results achieved.

The effectiveness of the control and risk management procedures applied in the process of preparing the financial statements of OPONEO.PL S.A. is evidenced by the high quality of the financial statements, as confirmed by the opinions of the statutory auditors. OPONEO.PL S.A. monitors material legal, tax, economic and operational risks that affect the Company's business directions. In addition, the provisions for deferred tax and holiday leaves are created by the Company.

### 4.3. SHARES AND SHAREHOLDING

#### 4.3.1. Structure of shareholding

As at 31 December 2022, the share capital of OPONEO.PL S.A. amounted to PLN 13,936 thousand and was divided into:

- 8,676,000 ordinary bearer shares of A series, with the par value of PLN 1,00 per share,
- 4,000,000 ordinary bearer shares of B series, with the par value of PLN 1,00 per share,
- 1,260,000 ordinary bearer shares of C series, with the par value of PLN 1,00 per share,

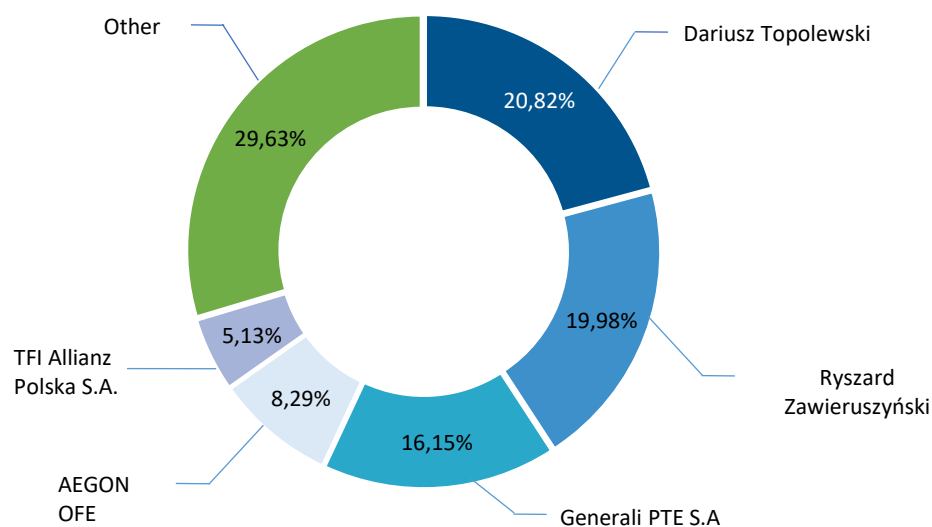
In 2022, the value of the Company's share capital remained unchanged.

The list of shareholders holding directly or indirectly, through subsidiaries, at least 5% of the total number of votes at the General Meeting of OPONEO.PL S.A. was as follows:

Shareholder	05 April 2023		31 December 2022		31 December 2021	
	Number of shares and votes at the general meeting	Share in the share capital and in the number of votes at the general meeting in %	Number of shares and votes at the general meeting	Share in the share capital and in the number of votes at the general meeting in %	Number of shares and votes at the general meeting	Share in the share capital and in the number of votes at the general meeting in %
Dariusz Topolewski	2,901,592	20.82	2,901,592	20.82	2,901,592	20.82
Ryszard Zawieruszyński	2,784,654	19.98	2,784,654	19.98	2,784,654	19.98
Generali PTE S.A.	2,251 268	16.15	1,963,005	14.09	1,963,005	14.09
AEGON OFE	1,155,000	8.29	1,155,000	8.29	1,155,000	8.29
TFI Allianz Polska S.A.	714,551	5.13	714,551	5.13	-	-
Norges Bank	-	-	-	-	968,838	6.95
Other	4,128 935	29.63	4,417,198	31.69	4,162,911	29.87
<b>Total</b>	<b>13,936,000</b>	<b>100.00</b>	<b>13,936,000</b>	<b>100.00</b>	<b>13,936,000</b>	<b>100.00</b>

As at the day of publication of the report, the Company was not aware of any agreements which could in the future result in the change in proportions of shares held by existing shareholders.

#### Shareholding structure of OPONEO.PL S.A., status as at 05 April 2023\*



\*Date of publication of this report

#### 4.3.2. Shareholding of the supervisory and management staff

##### Shareholding status in OPONEO.PL S.A. by Members of the Supervisory Board and Members of the Management Board:

Shareholder	5.4.23		31.12.22		31.12.21	
	Number of shares	Share in the share capital and in the number of votes at the general meeting in %	Number of shares	Share in the share capital and in the number of votes at the general meeting in %	Number of shares	Share in the share capital and in the number of votes at the general meeting in %
Dariusz Topolewski	2,901 592	20.82	2,901 592	20.82	3,001,592	21.54
Wojciech Topolewski	59,780	0.43	59,780	0.43	59,780	0.43
Michał Butkiewicz	17,093	0.12	17,093	0.12	17,093	0.12

There are no employee share schemes in the OPONEO.PL Group, with the exception of the scheme in Dadelo S.A. described in the Issue Prospectus of that company.

#### 4.3.3. Special control powers and restrictions on voting rights and transfer of ownership of securities

Shares in OPONEO.PL S.A. are ordinary bearer shares. No special control rights are attached to the Company's shares. The Articles of Association of the Company also do not impose any restrictions on the transfer of ownership of shares issued by the Company or the exercise of voting rights, nor do they contain provisions whereby the capital rights attached to securities are separate from the holding of securities.

#### 4.3.4. Share quotations

OPONEO.PL shares have been listed on the Warsaw Stock Exchange since September 2007. They have been included in the sWIG80 index since the session on 19 March 2016 and in the WIGdiv since 16 December 2016.

2022 on the Polish stock market was a difficult year. The region's increased risk was affected by the war in Ukraine, deteriorating sentiment towards Polish equities. The stock market's poor performance was influenced by the global downturn in risky assets. Despite a better fourth quarter, the rates of return of the Warsaw indices for 2022 recorded strong declines. The WIG broad market index fell by 17%, while the WIG20 large company index dropped by 21%. The mid-cap index (mWIG40) fell by 21.5% and the sWIG80 index declined by 12.8%.

In 2022, the share price of OPONEO.PL S.A. at the close of the session on the WSE fluctuated between PLN 30.70 (recorded on 28 September) and PLN 63.80 (at the session on 03 January). On the last trading day of 2022, i.e. 30 December, the share price of OPONEO.PL S.A. was PLN 35.90.

In 2022, the average trading volume of OPONEO.PL S.A. shares on the WSE was 5703 shares.

As at 31 December 2022, the market value of OPONEO.PL S.A. was PLN 500.3 million, while the book value was amounted to 267.9 million.

The C/WK (price/book value) ratio was 1.87 and C/Z (price/profit) was 12.35.

#### 4.3.5. Dividend

On 14 April 2022 the Management Board of the OPONEO.PL S.A. Adopted the resolution concerning the adoption of Company's Dividend Policy for 2022-2026. In accordance with the adopted Dividend Policy, the Management Board of OPONEO.PL S.A. will recommend to the General Meeting of the Company the payment of dividends in the amount ranging from 10% to 35% of the net profit gained for a given financial year. When recommending the distribution of the Company's net profit, the Management Board of OPONEO.PL S.A. will take into account the current and projected market situation, the financial and liquidity position of the Company and the Capital Group, as well as the development prospects and related investment needs.

On 11 May 2022, the Annual General Meeting, by Resolution No. 8 on the distribution of profit for the financial year from 1 January 2021 to 31 December 2021, decided to allocate PLN 1.36 per share for the payment of dividend.

The day of the right to dividend has been established on 18 May 2022 and the dividend payment day has been established on 26 May 2022. The dividend was paid to shareholders.

Dividend	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net profit of OPONEO.PL S.A. (in PLN thousand)	1,308.7	2,735.5	3,605.3	9,801.0	15,889	16,712	16,832	17,006	25,361	58,928
Dividend from profit of the year (in PLN thousand)	418.1	383.9	638.1	1,276.3	2,787.2	4,877.6	5,574.4	1,393.6	13,936.0	18,772.8
Dividend per share (PLN)	0.03	0.03*	0.05*	0.10*	0.2	0.35	0.4	0.1	1	1.36
Dividend record day	15 July 2013	03 July 2014	03 July 2015	11 July 2016	03 July 2017	03 July 2018	03 July 2019	15 July 2020	14 July 2021	18 May 2022

\* Treasury shares which had not been repurchased by the dividend date were deducted from the total number of shares.

## 4.4. STATUTES AND STATUTORY AUTHORITIES

### 4.4.1. Amendment of the Articles of Association

An amendment to the Articles of Association requires a resolution of the General Meeting and an entry in the Register of Entrepreneurs of the National Court Register.

In 2022, the General Meeting of Shareholders of OPONEO.PL S.A. did not adopt any resolutions on amendments to the Company's Articles of Association.

### 4.4.2. General Meeting

General Meetings take place in the Company head office in Bydgoszcz. The General Meeting of OPONEO.PL S.A. Meets as an ordinary or extraordinary General Meeting. It is convened by the Management Board on its own initiative and at the written request of shareholders representing at least five per cent of the Company's share capital containing the reason for convening the Meeting or at the request of the Supervisory Board.

The Ordinary General Meeting shall be convened by the Management Board of the Company annually, until 30 June of the next financial year, at the latest.

The Ordinary General Meeting should deal with:

- examination and approval of the report of the Management Board on activities of the Company and the approval of the financial statements of the Company for the previous financial year,

- adopting the resolution on profit distribution or loss coverage,
- granting the acknowledgement of the fulfilment of duties to members of the governing bodies of the Company.

Moreover, the following issues shall require the resolution of the General Meeting:

- adopting of the balance sheet, the profit and loss account and the cash flow statement for the previous year,
- any provisions concerning claims of shareholders for any damages caused at establishing of the Company or exercising management or supervision;
- rental of the enterprise and establishment of usufruct right on the enterprise assets,
- disposal of an enterprise;
- allocation of profit and determining the manner of loss coverage,
- determining the remuneration of the members of the Supervisory Board and determining the remuneration of the members of the Audit Committee;
- approval of annual and multi-annual plans of the Company activities,
- dissolving, liquidation and transformation of the Company;
- increase and decrease of the Company share capital and redemption of shares by the Company;
- amendments to the Articles of Association;
- controlling the activity of the Supervisory Board;
- approval of the rules of procedure of the Supervisory Board;
- appointing and dismissing of the Supervisory Board members.

The General Meeting may deal with any matter referred to it by the Company's Management Board or Supervisory Board or at the request of shareholders representing at least one-twentieth of the share capital. The request for the convening of the General Meeting and the inclusion of specific issues on the agenda of the meeting, submitted by authorised entities, should be justified.

The draft resolutions proposed for adoption by the General Meeting and other relevant materials should be presented to the shareholders, together with the explanatory memorandum and the opinion of the Supervisory Board, prior to the General Meeting, in time adequate to enable them to become acquainted with them and to assess them. The Company shall immediately publish the drafts of the aforementioned resolutions on the Company's website.

A General Meeting convened at the request of shareholders should be held on the date indicated in the request and, if this date is not possible for important reasons, on the earliest date which would enable the General Meeting to decide on the matters submitted to it.

The General Meeting, the agenda of which includes certain matters at the request of authorised entities or which has been convened at such request, may only be cancelled with the consent of the applicants. In other cases, the General Meeting may be cancelled if extraordinary obstacles occur (so-called force majeure) or it is manifestly pointless. The cancellation shall take place in the same manner as the convening, no later than three weeks before the originally scheduled date; in doing so, it should minimise loss to the Company and any inconvenience to shareholders.

The rescheduling of the General Meeting follows the same procedure as its cancellation, even if the proposed agenda remains unchanged.

The attendance of a shareholder's representative at the General Meeting requires that the right to act on behalf of the shareholder should be duly documented. The presumption applies that a written

document confirming a shareholder's right to representation at a General Meeting is compliant with the law and does not require any additional confirmations.

Each share holds one vote at the General Meeting. Resolutions are passed by a majority of 51% of all votes held by shareholders. The ballot shall be open unless the provisions of the Commercial Companies Code require a secret ballot. In addition, a secret ballot shall be ordered at the request of even one of the shareholders present, as well as for elections and motions to dismiss members of the Company authorities or its liquidators and to hold them liable, and for the discharge of their duties. The election of the Supervisory Board, including the election by a separate group voting, shall be carried out in accordance with the provisions of the Commercial Companies Code.

Any shareholder, as well as the advisers, specialists or other persons invited by the Company's Management Board or Supervisory Board, may participate in the General Meeting. The Management Board shall invite the Company's statutory auditor to attend the Ordinary General Meeting and the Extraordinary General Meeting if the financial affairs of the Company are to be discussed.

The members of the Supervisory Board and the Management Board and the auditor should provide the participants with explanations and information concerning the Company within the limits of their competence and to the extent necessary to resolve the matters discussed by the Meeting. The provision of answers by the Management Board to questions from the General Meeting take place considering the fact that the disclosure obligations of a public company are discharged in a manner resulting from the provisions of the law on public securities trading and that the provision of a range of information may not be made in a manner other than that resulting from these provisions.

Those objecting to a resolution shall be given the opportunity to briefly justify their objection. The Management Board or the Chairperson of the General Meeting should formulate resolutions in such a way that any authorised person who does not agree with the substance of the decision constituting the subject of the resolution has the opportunity to challenge it. At the request of a participant in the General Meeting, his/her written statement shall be accepted and included in the minutes. A statement by a participant in a General Meeting must relate only to matters that are material and considered by that General Meeting.

#### 4.4.3. Supervisory Board

##### **Principles of appointment and dismissal**

The Supervisory Board consists of five members, appointed and dismissed by resolutions of the General Meeting, for the common term of office of 5 years. At least two members of the Supervisory Board should meet the criterion of independence within the meaning of Article 129 of the Act on Statutory Auditors, Audit Firms and Public Supervision of 11 May 2017. At least one member of the Supervisory Board should be qualified in the field of accounting or auditing of financial statements. At least one member of the Supervisory Board should have knowledge and skills in the scope of industry in which the Company operates.

Both the entire Supervisory Board and its individual members may be dismissed by the General Meeting at any time.

If, as a result of the expiry of the mandate of a member of the Supervisory Board before the end of his or her term of office, the number of members of the Supervisory Board falls below five, the Management Board shall, within 14 days, convene an Extraordinary General Meeting in order to supplement the composition of the Supervisory Board so that the composition of the Supervisory Board meets the requirements set out in the Articles of Association.

##### **Composition**

In 2022, the Supervisory Board of OpONEO.PL S.A. consisted of the following members:

- Monika Siarkowska - Chairwoman of the Supervisory Board,
- Krzysztof Barczewski - Member of the Supervisory Board,
- Krzysztof Bednarek - Member of the Supervisory Board (from 11 May 2022),
- Lucjan Ciaciuch - Member of the Supervisory Board,
- Michał Kobus - Member of the Supervisory Board,
- Wojciech Małachowski (until 11 May 2022).

On 11 May 2022, due to the expiry of the 5-year term of office of the Supervisory Board, Mr Krzysztof Bednarek was appointed as a new Member of the Supervisory Board for another term of office in accordance with Resolution No. 25 of the Ordinary General Meeting of Shareholders of OPONEO.PL S.A. Mr Krzysztof Bednarek replaced Mr Wojciech Małachowski on the Supervisory Board. The other persons were reappointed as members of the Supervisory Board for a new 5-year term of office.

As at the date of publication, the composition of the Supervisory Board of OPONEO.PL S.A. is as follows:

- Monika Siarkowska - Chairwoman of the Supervisory Board,
- Krzysztof Barczewski - Member of the Supervisory Board,
- Krzysztof Bednarek - Member of the Supervisory Board,
- Lucjan Ciaciuch - Member of the Supervisory Board,
- Michał Kobus - Member of the Supervisory Board.

### Competence

The powers of the Supervisory Board are set out in the Company's Articles of Association. The Supervisory Board exercises permanent supervision over activities of the Company and all its branches. The specific responsibilities of the Supervisory Board include:

- permanent supervision of the activities of the Management Board and submission of the annual reports on activities of the Supervisory Board to the General Meeting,
- examination and assessment of reports referred to in art. 395§2(1) of the Code of Commercial Companies, in terms of their compliance with ledgers and documents as well as with the state of affairs,
- providing opinions on the annual and interim reports of the Management Board and motions of the Management Board concerning profit distribution and allocation,
- representing the Company in disputes and in concluding contracts between the Management Board or a Member of the Management Board and the Company, suspending the functions of individual Members of the Management Board for important reasons,
- providing opinions on motions of the Management Board concerning establishing of new companies, joining existing companies and economic organisations, purchase and sale of shares and interests in other companies,
- providing opinions on interim economic plans of the Company,
- approval of establishing of new companies, joining existing companies and economic organisations, purchase and sale of shares and interests in other companies, establishing and closing of branches, plants, subsidiaries, agencies, enterprises,
- approval of economic plans of the company and periodic plans of its development,
- examination and adjudication of motions of the Management Board,
- approval of acquisition, disposal and encumbrance of real estate or shares in real property,
- determining the remuneration of Management Board members,
- approval of the Company budget,

- appointment and dismissal of statutory auditors to perform audits of annual financial statements of the Company, and approval of significant changes in accounting procedures, unless such changes arise from the applicable legal regulations,
- approval of undertaking business in new economic sectors, unless such business arises from the adopted annual plan of the Company,
- approval of contracts with entities associated with any Management Board member by means of ownership, marriage or relationship,
- approval of rules of procedure of the Management Board,
- assignment of Supervisory Board member or members to perform temporarily the activities of the Management Board, in case of suspending of members of the Management Board or the entire Management Board,
- authorising the Management Board to appoint proxies,
- approval of disposal and/or lease, encumbrance, pledge of Company assets of the value exceeding 10% of the Company share capital, unless such operations arise from the approved annual plan of the Company or its business plan, covering the entire activities of the Company or a part thereof,
- convening of the Ordinary General Meeting unless the Management Board convenes it at the time set in the Articles of Association,
- convening of the Extraordinary General Meeting, at any time the Council considers it is justified and the Management Board fails to convene the General Meeting within two weeks of submission of the relevant request by the Supervisory Board,
- appointing and dismissing members of the Audit Committee and adopting the rules of procedure of the Audit Committee;
- approval of advance payment on account of the expected dividend.

### **Audit Committee**

The Supervisory Board appoints the Audit Committee by way of a resolution and adopts the rules of procedure of the Audit Committee, specifying its functions, tasks and rules of operation.

The Supervisory Board appoints and dismisses members of the Audit Committee from among its members, including the Chairperson of the Audit Committee. The Audit Committee consists of at least three members, including the Chairperson of the Audit Committee.

The majority of the Audit Committee members, including the Chairperson of the Audit Committee, should meet the independence requirement within the meaning of Article 129 of the Act on Statutory Auditors, Audit Firms and Public Supervision of 11 May 2017. At least one member of the Audit Committee should be qualified in the field of accounting or auditing of financial statements. At least one member of the Audit Committee should have knowledge and skills in the scope of industry in which the Company operates.

In the Company, the provisions on the appointment, composition and functioning of the Audit Committee are adhered to, including the fulfilment of the independence criteria by its members and the requirements concerning the knowledge and skills in the scope of the industry in which the Company operates as well as in the scope of accounting or auditing financial statements.

The Audit Committee established in the Company performed and is performing the tasks of the Audit Committee provided for in the applicable regulations.

As at 31 December 2022 and as at the date of this report, the Audit Committee comprised:

- Lucjan Ciaciuch – Chairman of the Audit Committee,
- Krzysztof Barczewski – Member of the Audit Committee,

- Monika Siarkowska – Member of the Audit Committee.

**Lucjan Ciaciuch - Chairman of the Audit Committee** meets the statutory criteria of independence and has knowledge and skills in the scope of accounting and auditing financial statements. He runs the auditing firm Uni-Rach-Audyt, Lucjan Ciaciuch, registered with the Polish Chamber of Statutory Auditors under number 3687. He previously worked, among others, as: Finance Director at PBPP Piecobudowa-Bydgoszcz and Director of the Finance Department at the Voivodship Office in Bydgoszcz. Graduated from the Faculty of Law and Administration at the Nicolaus Copernicus University in Toruń. He is qualified as a statutory auditor registered in the list of entities authorised to audit financial statements under registration number 500/4802 and qualified as a trustee and liquidator of companies.

**Krzysztof Barczewski - Member of the Audit Committee** meets the statutory criteria of independence.

**Monika Siarkowska – Member of the Audit Committee** has knowledge and skills in the scope of IT industry in which the Company operates. Professionally associated with OPONEO.PL S.A. since 2007, i.e. from the moment of the Company's listing on the main market of the Warsaw Stock Exchange, managing and supervising the Company's disclosure duties in terms of legal regulations on trading in financial instruments and communication with the capital market. She gained her previous experience in companies operating in the field of the Internet, among others in the Polish branch of the Active 24 Group and in the foreign branches of Europa Technologies and Oracle.

OPONEO.PL S.A. is bound by the policy and procedures adopted by the Audit Committee concerning the selection of an audit firm to audit the financial statements of OPONEO.PL S.A. and the Policy for the provision by the audit firm conducting the audit of the financial statements of authorised services other than the audit of financial statements of OPONEO.PL S.A.

#### **Main assumptions of the Policy concerning the selection of an audit firm:**

1. The following principles for the selection of an audit firm to audit the financial statements of OPONEO.PL S.A. are adopted:
  - a) the selection is performed in accordance with §18(7)(m) of the Articles of Association of the Company;
  - b) the audit firm to carry out the audit of the financial statements must meet the conditions of independence set out in Articles 69 - 73 of the Act on Statutory Auditors, Audit Firms and Public Supervision.
2. The audit firm is selected by the Supervisory Board among firms recommended by the Audit Committee.
3. The Audit Committee shall take into account the findings or conclusions of the annual report of the Polish Audit Oversight Agency when reviewing the proposals of audit firms.
4. The procedure and selection of the audit firm should be performed well in advance to eliminate any risk of breach of independence and comply with other legal requirements, while ensuring the quality of the audit and the audit firm's participation in the necessary activities.
5. The audit firm may not audit the financial statements for more than 5 consecutive years.
6. The selected audit firm performs the interim review and financial statements audit for the completed financial year.
7. The audit firm shall be selected from the companies submitting tenders as well as those invited to submit tenders, taking into account:
  - a) their previous experience in audits of financial statements;
  - b) human resources available;
  - c) experience in auditing companies with a business profile similar to OPONEO.PL S.A.;
  - d) technical capacity to carry out the audit within the timeframe expected by OPONEO.PL S.A.;

- e) price of the financial statements audit service.
8. It is advisable that the audit firm also audits the financial statements of subsidiaries.

**Main assumptions of the Policy for the provision by the audit firm conducting the audit of the financial statements of permitted services other than auditing of the financial statements of OPONEO.PL S.A.**

The audit firm auditing the financial statements of OPONEO.PL S.A, an affiliate of the audit firm or any member of the audit firm's network, may not provide OPONEO.PL S.A. with any services other than auditing of financial statements or other financial auditing activities that are prohibited to be provided by these entities in accordance with applicable laws, in particular under Article 136(1) of the Act on Statutory Auditors, Audit Firms and Public Supervision, in conjunction with the second paragraph of Article 5(1) of Regulation No. 537/2014 on Detailed Requirements for Statutory Audits of Financial Statements of Public Interest Entities.

Prohibited services are not services indicated in Article 136(2) of the Act on Statutory Auditors, Audit Firms and Public Supervision. The provision of such services is only possible in the scope other than related to the tax policy of OPONEO.PL S.A., after the Audit Committee has carried out an assessment of the threats and safeguards of independence referred to in Articles 69-73 of the Act on Statutory Auditors, Audit Firms and Public Supervision.

In order to issue an assessment of the risks and safeguards of independence, the Audit Committee has the right to request the submission of relevant documents or to provide explanations.

Besides issuing independence risk assessments and safeguards, the Audit Committee may issue adequate guidance on non-audit services.

On the basis of the aforementioned documents, the independence of the audit firm was assessed and approval was granted for the provision of review and audit services.

The audit firm auditing the financial statements of the Company and the OPONEO.PL Group for 2022, i.e. HLB M2 AUDIT PIE spółka z ograniczoną odpowiedzialnością (hereinafter referred to as HLB M2), was selected by the Supervisory Board in accordance with the applicable regulations, including those concerning the selection and procedure for the selection of an audit firm.

The Audit Firm and the members of the team performing the audit met the conditions for the preparation of an impartial and independent report on the audit of the financial statements of the Company and OPONEO.PL Capital Group for 2022 in accordance with the applicable regulations, standards of professional conduct and principles of professional ethics.

HLB M2 has previously provided review and audit services to OPONEO.PL S.A.

Moreover, the Company complies with the applicable regulations related to the rotation of the audit firm and the key statutory auditor as well as the mandatory grace periods.

#### 4.4.4. Management Board

##### Composition

According to the Articles of Association, the Management Board may consist of a single person or multiple persons. Members of the Management Board are appointed and dismissed by way of a resolution of the Supervisory Board, which entrusts the function of the President of the Management Board to one of them by means of a ballot. The term of office of the Management Board is joint and lasts 5 years.

As at 31 December 2022, the Management Board of OPONEO.PL S.A. was composed of:

- Dariusz Topolewski - President of the Management Board,
- Michał Butkiewicz - Member of the Management Board,
- Ernest Pujszo - Member of the Management Board,
- Maciej Karpusiewicz - Member of the Management Board,
- Wojciech Topolewski - Member of the Management Board.

### Competence

The Management Board of the Company is authorised and obliged to take all decisions involving operational management of the affairs of OPONEO.PL S.A. with due diligence.

The scope of the Management Board's activities includes, in particular:

- managing the Company's enterprise,
- preparing reports of the Management Board on activities of the Company, the balance sheet, the profit and loss account, in the manner and in accordance with the deadlines stipulated in the applicable legal regulations,
- keeping the minutes of the General Meeting as well as the book of resolutions adopted,
- execution of the resolutions of the General Meeting and observance of recommendations and resolutions of the Supervisory Board,
- handling any other matters which are not restricted by competence of other governing bodies of the Company.

The Management Board is obliged to fulfil all obligations incumbent upon it under applicable laws, as well as binding resolutions of the Company's governing bodies and external control and management bodies authorised under separate regulations.

Matters exceeding ordinary management require a resolution of the Management Board, including in particular:

- approval to execute orders if their value exceeds 10% of the share capital of the Company;
- conclusion of an agreement with a value exceeding 10% of the share capital and the conclusion of all general agreements;
- concluding a sponsorship or advertising agreement with a value exceeding 10% of the Company's share capital;
- concluding an agency, intermediary or similar contract if it may result in a future obligation to pay a commission or other form of remuneration with a value exceeding 10% of the Company's share capital;
- concluding an agreement for the transfer of the Company's assets;
- creation of a mortgage on real estate owned by the Company;
- acquisition, modernisation, expansion, etc. of fixed assets exceeding 10% of the Company's share capital not included in the investment plan presented to the Supervisory Board for approval;
- referral to judicial, administrative or conciliation proceedings if the value of the dispute exceeds 10% of the Company's share capital.

The Management Board is obliged to submit a motion to the Supervisory Board in matters concerning establishing of new companies, joining existing companies and economic organisations, purchase and sale of shares and interests in other companies.

#### 4.4.5. Remuneration of statutory authorities

Information on the remuneration paid or payable to the management and supervisory staff of OPONEO.PL S.A. is presented in the Group's consolidated financial statements for 2022 in section 5.8 of the statements.

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#### 4.5. DIVERSITY POLICY

OPONEO.PL S.A. strives to ensure the diversity of gender, educational direction, age and professional experience for all employees of the Company, with particular emphasis on the authorities and key managers.

The Company has a policy in place that supports anti-discrimination in employment. To this end, internal regulations have been developed to enhance diversity and provide equal opportunities for professional development among those employed. OPONEO.PL S.A. as a company with international range of operations employs people of different nationalities.

#### 4.6. ENTITY AUTHORISED TO AUDIT FINANCIAL STATEMENTS.

On 15 June 2022, the Supervisory Board of OPONEO.PL S.A. selected HLB M2 AUDIT PIE Spółka z ograniczoną odpowiedzialnością (hereinafter: HLB M2) to carry out:

- Review of the interim separate and consolidated financial statements prepared in accordance with IFRS/IAS for the period from 1 January 2022 to 30 June 2022.
- Review of the annual separate and consolidated financial statements prepared in accordance with IFRS/IAS for the period from 1 January 2022 to 31 December 2022.
- Review of the interim separate and consolidated financial statements prepared in accordance with IFRS/IAS for the period from 1 January 2023 to 30 June 2023.
- Review of the annual separate and consolidated financial statements prepared in accordance with IFRS/IAS for the period from 1 January 2023 to 31 December 2023.

HLB M2 with its registered office in Warsaw is entered in the register of entities authorised to examine financial statements under register number 4123.

OPONEO.PL S.A. had previously used the services provided by HLB M2 in the scope of review and auditing of financial statements.

Remuneration of the entity authorised to audit financial statements	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
Audit of the annual financial statements and consolidated financial statements of the parent company	53	35
Audit of annual financial statements of the subsidiaries	67	91
Other certifying services, including the review of the financial statements / consolidated financial statements of the parent company	31	40
Other certifying services, including the review of the financial statements / consolidated financial statements of subsidiaries	24	0
Evaluation of the annual report on the remuneration of the Management Board and the Supervisory Board	3	3
Other services	0	0
<b>Total</b>	<b>178</b>	<b>169</b>

#### 4.7. INFORMATION OF THE MANAGEMENT BOARD ON THE SELECTION OF THE AUDIT FIRM AUDITING THE ANNUAL FINANCIAL STATEMENTS

The Management Board of OPONEO.PL S.A., on the basis of the statement of the Supervisory Board of OPONEO.PL S.A. Concerning the entity authorised to audit the annual separate financial statements of the Company and the annual consolidated financial statements of the OPONEO.PL Group, informs that:

- The audit firm auditing the financial statements of the Company and the OPONEO.PL Group for 2022, i.e. HLB M2 AUDIT PIE spółka z ograniczoną odpowiedzialnością (hereinafter: the "Audit Firm"), was selected by the Supervisory Board in accordance with the applicable regulations, including those concerning the selection and procedure for the selection of the audit firm.

- The Audit Firm and the members of the team performing the audit met the conditions for the preparation of an impartial and independent report on the audit of the financial statements of the Company and OPONEO.PL Capital Group for 2022 in accordance with the applicable regulations, standards of professional conduct and principles of professional ethics.
- The Company complies with the applicable regulations related to the rotation of the audit firm and the key statutory auditor as well as the mandatory grace periods.
- The Company has the policy on the selection of the audit firm and the policy on the provision of additional non-audit services to the Company by the audit firm, an affiliate of the audit firm or a member of its network, including services conditionally exempted from the prohibition to perform services by the audit firm.

## 5. NON-FINANCIAL ASPECTS OF OPONEO.PL'S ACTIVITIES, I.E. OUR IMPACT ON SOCIETY AND THE ENVIRONMENT



## **INFORMATION - Company clarification in connection with the changes in the law in the scope of reporting non-financial data.**

This document is not the Statement on non-financial data as required by the amendments to the Accounting Act of 29 September 1994 (consolidated text, Journal of Laws of 2017, item 2201, as amended) resulting from the transposition of Directive 2014/95/EU into Polish law. In 2022 OPONEO.PL does not meet the requirements set out in the Accounting Act requiring the preparation of such a document, either at the level of the Parent Company, OPONEO.PL S.A. or at the level of the OPONEO.PL Group.

However, OPONEO.PL S.A., supporting the intention to increase the transparency of social and environmental information, acting for years in the spirit of sustainable development and analysing the dynamic development of the OPONEO.PL Group, decided to perform an internal analysis and prepare this opening report in the scope of “Non-financial aspects of OPONEO.PL operations”.

## **5. MANAGEMENT OF SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY IN OPONEO.PL**

Since the beginnings of its activity, OPONEO.PL S.A. has pursued activities in line of the philosophy of responsible business and sustainable development. This ranges from employee management to office and warehouse construction, route optimisation to motorsport sponsorship and charity activities. In view of the non-financial data reporting requirements, the Company has decided to prepare a report summarising its activities, despite the lack of the necessity to comply with the obligation in this respect as at 31 December 2022. The issues reported are also relevant to Group companies.

The following pages present the Group's approach and activities in the scope of:

- labour issues;
- diversity and respect for human rights;
- counteracting corruption;
- social issues;
- environmental protection.

In each area, the Group's policy is described, referring to written and operational documents, standards or solutions. Due diligence procedures are presented, as well as the activities of Group companies and the results of these activities.

### **5.1. ACTION PHILOSOPHY**

Since the beginnings of its activity, OPONEO.PL S.A. and its subsidiaries have been driven by 3 key values:

- People - the experience and commitment of the employees of the companies of the OPONEO.PL Group build their market position and provide customers with a positive shopping experience;
- Knowledge - the OPONEO.PL Group has an extensive knowledge base of the goods on offer, including customer reviews and detailed information about them. This translates into informed and relevant purchasing choices for customers;

- Responsibility - As a leader in the e-commerce market and a public company, OPONEO.PL S.A. is an example of business conducted in an ethical manner and in compliance with legal regulations.

Activities carried out in line with the aforementioned values allow the Group to grow continuously. The social responsibility of the OPONEO.PL Group means first and foremost a concern for the high quality of employment, respecting the rights of customers and supporting the development of sport.

Tyres and their testing on the track is the passion of the OPONEO.PL S.A. founders. Polish Championship rallies or Rallycross races are an opportunity for the Company's employees and customers to see how the tyres perform in the most demanding conditions. Motorsport sponsorship was a natural direction for the Company to engage in. A significant proportion of the Company's employees come from Bydgoszcz and the surrounding area - this is where the Company focuses its social and charitable activities by, among other things, supporting sports initiatives and the passions of children and adults.

The environment of the OPONEO.PL Group is mainly affected by its office activities, warehousing and transport of goods to customers. The parent company's overriding principle is to mitigate negative impacts, which is often accompanied by financial benefits through increased efficiency and process optimisation. The OPONEO.PL Group consistently implements ecologically effective solutions in the field of office and warehouse space management and streamlining the route of transport of goods to the customer, in order to reduce the time of arrival and at the same time the length of routes, which has a measurable impact on the level of gas emissions into the environment. In May 2022, a modern warehouse located in Zelgoszcz near Łódź, with an area of more than 72 thousand m<sup>2</sup> was opened. It is the Group's main logistics centre from where all customer orders are fulfilled.

Customer service at the highest level is a natural consequence of the business model of OPONEO.PL S.A., which is also reflected in its subsidiaries. The Group implements a series of measures and processes to continuously improve, from writing down service standards, through staff training to quality control.

## 5.2. OUR STAKEHOLDERS

In connection with its activities, OPONEO.PL S.A., together with its subsidiaries, has contact and influence on a number of entities, people and organisations - the so-called stakeholders. Analysing them in terms of their business impact and interest in the organisation helps to prioritise relationship building. The following stakeholder groups are of key importance to the Group's business activities and fundamental from the perspective of its social responsibility:

- **Employees** - are a key element of any business, the quality of the customer experience and therefore the growth of the business depends on their work. Work is an essential part of everyone's life. From the employees' point of view, factors such as remuneration, non-wage benefits, respect for employee rights, career development opportunities or employment flexibility are important. The high quality of the employment on offer, enables the Group to attract quality job candidates.
- **Customers** - providing high quality service, attractive prices and a wide range of offer is a necessary, but not always sufficient, standard for this stakeholder group. In the 21st century, customers are also interested in respecting consumer rights, the ethics of the company operations and the responsibility of the business to the external environment.
- **Suppliers** - the issuer's suppliers range from global corporations to small local companies. Naturally, smaller players have a weaker position in trade negotiations. From their point of

view, it is crucial that none of the companies in the OPONEO.PL Group abuses its dominant position in relation to them.

- **Carriers (couriers)** - all companies of the OPONEO.PL Group operate in the e-commerce sector. A natural part of this industry is the need to deliver ordered goods to customers. For this reason, each company is an important customer for the cooperating courier companies.
- **Competition** - tracking of activities in terms of the risk of market entry of large players specialising in wholesale car parts, including tyres and the Group's other product range.
- **Services** - building a network of partner services to build better customer experience.
- **Media** - image-building with their assistance is essential to reach customers' awareness.
- **Investors** - two subgroups of stakeholders occur in this group. The first one comprises the existing shareholders who are interested in the financial performance and the impact on the external environment. The second group consists of broadly understood capital and financial market participants - individual investors, institutional investors, stock market analysts and banks. These actors can take sustainability factors into account when making an investment or lending decision.
- **Local community** - companies of the OPONEO.PL Group are located in Bydgoszcz and this has an impact on residents. On the one hand, they can be an attractive place to work and, on the other, the companies' operational activities can have an impact on the daily lives of people living in the immediate vicinity of the premises.
- **State institutions** - The OPONEO.PL Group, conducting its business activity through subsidiaries, is subject to legal regulations and control of state institutions authorised for this purpose. Detailed information on the cooperation with this stakeholder group is provided in the chapter on Compliance.

The above-mentioned stakeholder groups have been identified in the ordinary course of operations of the Group companies. Among the groups mentioned above, two-way communication is carried out with shareholders, employees, suppliers and customers. Shareholders decide on the fate of the company by determining the composition of the supervisory board, proposing draft resolutions and voting at the General Meeting of Shareholders. Employees have the opportunity to express their opinions in direct contact with their superiors and by participating in regularly organised surveys on various issues of interest to them. Customers share their opinions in online services designed for this purpose, moreover, telephone conversations with consultants are recorded and subject to evaluation. Suggestions or objections from customers are often the source of decisions taken to optimise the quality of the activities performed. The management board of the parent company does not exclude other forms of contact with individual stakeholder groups in the future.

### 5.3. COMPLIANCE

#### 5.3.1 Taxes

In accordance with the applicable legal regulations, OPONEO.PL S.A. has a published tax strategy. It is available on the corporate website [www.ir.oponeo.pl](http://www.ir.oponeo.pl). The document complies with all requirements provided under the CIT Act. Among other things, it contains information on the entity responsible for the approval and implementation of the tax strategy.

No administrative or judicial proceedings related to tax irregularities were pending against the company in 2022 or in the previous year. The authorities of the company strive to ensure that its activities and the declarations it submits comply with the current tax regulations.

#### 5.3.2 Conflict of interest

In accordance with the rules of procedure of the parent company's management board, the members of the management board are obliged to inform the supervisory board of the occurrence of a conflict of interest or a possibility of its occurrence. Conflicts of interest include, among others, serving on

the management or supervisory bodies of competing entities, conducting business that is competitive to the company. In 2022 and in the previous year, none of the members of the management board and the supervisory board performed their functions under the conditions of conflict of interest.

### 5.3.3 Anti-corruption and whistleblowing

OPONEO.PL S.A. has the Compliance Guideline in the scope of prevention of corruption and a number of functioning internal regulations applicable in the area of anti-corruption.

The Company does not accept the following activities bearing the hallmarks of corruption or fraud:

- misappropriation of property of the Company, related parties or contractors,
- publication of untrue data in the financial statements or inappropriate application of accounting principles,
- promising, offering, soliciting, giving any material or personal benefits,
- accepting or offering gifts in the form of money,
- any other intentional acts resulting in damage to the Company or in violation of the applicable regulations and procedures.

In any kind of negotiation, conclusion of agreements/contracts and in significant contacts with public institutions and business entities, the staff in charge should act with the knowledge and approval of the Management Board. All payments to external parties, including donations and sponsorships, require the approval of the Management Board or its nominee. Contributions of Company funds (or donations in kind) to a political party, party activist or political committee, or to a candidate for state, regional or local office are prohibited. In case of confidential information within the meaning of Article 7 of the MAR Regulation, the procedures required by MAR shall apply. The Company has an Audit Committee operating within the Supervisory Board. None of the Group companies or their employees were punished for corrupt activities during the reporting period, and there were no reports of activities that could bear the hallmarks of corruption under the internal control system. A similar situation occurred in 2021.

### 5.3.4 Occupational Health and Safety

All of the subsidiaries have in place legally required procedures and documents related to health and safety at work. Every newly hired employee is subject to mandatory inception health and safety training and introduction to the risks of the position, regardless of the form of employment or service provision. In addition, all office staff receives periodic training even though this is not required by law. The aim is to reduce the possibility of accidents to zero. No existing or potential occupational diseases were identified. The health and safety committee operates at the level of the parent company of the OPONEO.PL Group, consisting of the health and safety officer employed by the Company, the company doctor, the chairman and the employee representative.

In 2022, no accidents at work were recorded in the Group companies, while two minor accidents at work occurred in 2021.

Employees performing office activities work in modern office buildings equipped with fire safety features and providing ergonomic working conditions. The warehouses where tyres are stored are equipped with TÜV safety-certified racks and bins. In addition, a sprinkler system is installed in the warehouses, which is an important safety feature for tyre storage areas. The installation meets NFPA13 standards which demonstrate a high degree of safety and quality.

### 5.3.5 Control of state institutions

Companies within the OPONEO.PL Group are subject to the supervision of numerous state institutions. This is related to the fact of being, among others, an employer, a market participant, a public company, a tax payer. Among the control institutions, the following can be particularly mentioned:

- Tax office;
- Social Insurance Institution;
- Office of the Financial Supervision Authority;
- Office for Competition and Consumer Protection;
- State labour Inspection;
- Office of Technical Inspection;
- Office of Personal Data Protection.

The authorities of the companies belonging to the OPONEO.PL Group exercise due diligence to ensure compliance of their activities with generally applicable laws and, if necessary, cooperate with public authorities. Moreover, the Group has procedures in place in the scope of whistleblowing and protection of whistleblowers. There were no reports of non-compliance with the applicable legislation in 2021 and 2022. Furthermore, no Group company has been penalised in any way for any illegal activities.

### 5.4. NON-FINANCIAL RISKS

In connection with the activities of OPONEO.PL S.A., a number of non-financial risks can be mentioned from the perspective of sustainable development and responsible business, such as:

Risk	Risk description	Management method
<b>External and market environment and contingencies</b>		
<b>Risks related to seasonality of sales and weather factors</b>	The tyre sales market is characterised by very high sales volatility. Two key periods can be distinguished - spring and autumn, i.e. the time for replacement of tyres. In addition, weather factors can cause significant shifts in this respect.	A qualified team of analysts continuously monitors tyre sales and forecasts their fluctuations determining, among others, the number of people in the team of customer service or shipping operations. The company also sells all-season tyres, which are more and more frequently purchased in Poland. In addition, the Company sells steel and aluminium rims characterised by high profitability and lower seasonal fluctuations. In addition to this, the Group diversifies its activities selling tools through Rotopino.pl S.A., bicycles and bicycle accessories through Dadelo S.A..
<b>Risk of loss of assets due to fire, flooding and other fortuitous events - related to the concentration of the mass of goods at one place</b>	The logistics centre, which is also the primary storage facility, is located in the Bydgoszcz region. Potential fortuitous events (fire, flood, etc.) would result in serious disruptions to the continuity of supply to customers and, in particular, delays in delivery. This would result in a loss of revenue continuity and a potential loss of part of the market.	At the warehouse level, ongoing monitoring is carried out to ensure that all fire protection and health and safety standards are met. A system has been put in place to systematically back up all information, which allows the IT network to be immediately restored on a fail-safe basis, while appropriate insurance contracts have been concluded to guarantee full coverage of any losses.

## Employees and customers

<b>Risk of losing qualified personnel</b>	Due to the nature of the industry, highly qualified specialists, particularly those with an IT background, play a key role in the structure. A departure of an employee causes a measurable loss in terms of the need to recruit and train a suitably qualified successor.	The OPONEO.PL Group pursues a human resources policy that encourages employees to link their careers with us.
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<b>Risks related to actual or perceived discrimination at a level of recruitment or employment, promotions or determining wages.</b>	Recruitment advertisements with potentially discriminatory content against specific groups (i.e. targeted, for example, at a particular gender or age range), or recruitment, promotion or remuneration practices that may carry the appearance of discrimination, expose the employer to complaints and lawsuits.	The OPONEO.PL Group avoids any form of discrimination in accordance with the provisions of the Work Regulations. In practice, this also means formulating the recruitment advertisements in a neutral and non-discriminatory manner, as well as ensuring equality in employment, promotions or determining wages.
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<b>Risk of losing customers / image as a result of unprofessional service</b>	Customers are sensitive to the process and efficiency of order fulfilment, advice and the level of support provided. If their expectations are not met in this respect, there is a risk of image loss and missed sales.	The Group's measures to prevent this risk include regular customer satisfaction surveys, strict quality control, as well as ensuring that the personnel is adequately trained.
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## Corruption and fraud

<b>Risks related to the outflow of confidential information</b>	The potential outflow of information regarding current business conditions (including sales and supplier purchasing policies and conditions) and customer base could deteriorate the Company's competitive position and lead to a failure to achieve planned revenues.	Confidential information is only shared with the top management. In addition, the extent of access to the data depends on the scope of the individual employee's tasks.
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<b>Risks related to potential Internet intrusions (loss of trust in the portal)</b>	The e-commerce business poses potential risks associated with computer crimes committed over the network, such as hacking into and damaging or destroying a computer system or blocking services (Denial of Service).	OPONEO.PL S.A maintains a team of people responsible for the security of the portals and uses appropriate security systems and relevant security procedures.
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## Protection of the environment and social actions

<b>Risks related to environmental protection regulations</b>	There is a risk of an environmental levy on used tyres being passed on to sellers of new tyres. This would have a minor impact on the company's performance. A company placing tyres on the domestic market from outside Poland is obliged to bear the costs of their future recycling.	OPONEO.PL S.A. pays a product (recycling) fee required by Polish law in this respect.
<b>Risks associated with supporting controversial organisations and projects</b>	The Group's support with donations or other involvement in organisations that operate on the edge of the law or are highly controversial, e.g. of a racist nature or that preach discriminatory slogans, may pose a risk.	Information gathering and thorough checking of the organisation always takes place before the cooperation is established /support is provided. The OPONEO.PL Group only supports organisations/projects that benefit local communities in the Group's surroundings or that support goals and values significant for the Group.

## 5.5. SUSTAINABLE DEVELOPMENT MANAGEMENT

### 5.5.1. Human resources management

The activity of OPONEO.PL Group focuses on the e-commerce market, however, it would not be possible without employees, who represent the most important resource of all the Group's companies. OPONEO.PL S.A. is a Polish company that is expanding its presence on the European market and, due to its dynamic growth, is constantly in need of both specialists and people intending to gain professional experience. The Company and its subsidiaries provide opportunities for internal development through vertical and horizontal promotions, as well as the creation of new organisational units, within the structure, based on diagnosed needs and opportunities. More than 69% of the employees of the OPONEO.PL Group, are employed by the Group's parent company, OPONEO.PL S.A. A breakdown of employment at OPONEO.PL S.A. by gender is presented in the table below. In 2022, compared to the previous year, female employment increased by 10.7%, while male employment decreased by 27.8%. The share of women in the employment structure in 2022 was 42.6%, compared to 32.7% in 2021.

Total number of employees at OPONEO.PL S.A. gender	31.12.2021	31.12.2022	Change %	31.12.2021	31.12.2022	Change %
	M	M		F	F	
Management Board and Supervisory Board	9	9	0.00%	1	1	0.00%
Managers and executives	6	7	16.67%	4	6	50.00%
Other employees	255	179	-29.80%	126	138	9.52%
<b>Total</b>	<b>270</b>	<b>195</b>	<b>-27.78%</b>	<b>131</b>	<b>145</b>	<b>10.69%</b>

As part of its human resources management, the Company is committed to attracting and retaining motivated employees with the expected competence and qualifications. In the framework of recruitment, OPONEO.PL S.A. is driven solely by substantive premises, respecting the principle of equal opportunities in relation to current staffing needs defined by individual teams. More details in this regard are included in the chapter on diversity and respect for employees' rights. With a dynamically changing market and customer service requirements, the Company is experiencing employee turnover, the scale of which is shown by the figures in the table below. In 2022, the warehouse employees were hired by an external company, resulting in the visible changes in staff turnover.

Turnover of employees at OPONEO.PL S.A. gender	31.12.2021	31.12.2022	Change %	31.12.2021	31.12.2022	Change %
	M	M		F	F	
Number of new hires	56	65	16.07%	26	47	80.77%
Number of persons who left the company	80	136	70.00%	36	37	2.78%
<b>Staff turnover ratio</b>	<b>29.63%</b>	<b>69.74%</b>	<b>----</b>	<b>27.48%</b>	<b>25.52%</b>	<b>----</b>

Depending on the department, internal recruitment is used, as well as recruitment by recommendation - particularly for highly specialised positions, e.g. in the IT department. In addition, OPONEO.PL S.A. performs activities to support recruitment, such as:

- Presentation of the company and possible job positions, as well as a competition for graduates of the Automotive School Complex and further continuation of cooperation with the school in the form of posting a recruitment advertisement on the school's website.
- Cooperation with secondary schools and universities in the Kujawsko-Pomorskie Voivodship, as well as with the John Paul II Catholic University of Lublin in terms of HR activities, e.g. internships for students, job offers for positions requiring proficiency in foreign languages.

Employees are paid a monthly salary based on the rate specified in the contract. An allowance is payable for overtime work. The basic principle of remuneration is the equal pay for equal work or work of equal value, which includes all components of remuneration. The Company does not have the Company Social Benefits Fund and does not pay a holiday benefit.

On a day-to-day basis, emphasis is placed on employee development for which the responsibility is shared between the employee and his or her supervisor. Dedicated departments and individuals participate in thematic training. In addition, externally funded training is provided. New employees, particularly in the Customer Service Departments (CSD), receive induction training to enable them to learn about the company as a whole and to assimilate customer service standards. Before each season, product training sessions are held with manufacturers in the scope of: technical parameters, test results, industry highlights and news for the season. In-house training covers a wide range of knowledge on tyre models, rims, treads, approvals, as well as customer service - including a discussion of how to assess customer conversations. Such training is compulsory for any new CSD employee. An attraction for employees, linked to the specific nature of the product they sell, was the

organisation of meetings for the sales team at the race track, which included team integration, improved driving techniques, product training and tests of selected tyres.

Employee motivation and satisfaction is a key aspect for the Company development. There is a strong emphasis on a friendly atmosphere and good relations at the workplace. The Company cares about diversity and appreciates the individuality of each employee, which translates into shaping individual career paths. At OPONEO.PL S.A., horizontal promotions and internal rotations take place. Employees change departments and teams within the company, or take on new areas of responsibility within newly established, self-initiated teams. Clear objectives are set and accountability for each employee's area of work is required, with the support using the appropriate tools. Within each team, feedback from employees is collected on an ongoing basis. Engagement surveys were conducted at CSD, which have translated into improvements in the bonus systems of individual teams. In addition, employees receive feedback from their supervisor on their work and further development as part of the "Work and Development Review".

OPONEO.PL S.A. provides a number of benefits for its employees, such as:

- Replacement of tyres for employees.
- Favourable purchasing conditions for bicycles and tyres for employees.
- Provision of staff with the following facilities on the premises of the building:
  - restaurant,
  - relaxation area in the building,
  - gym, fitness area,
  - breastfeeding room for young mothers,
  - facilities for people with disabilities (lifts, wide walkways, toilets).

The OPONEO.PL Capital Group pays great attention to the quality of the employment offered. The preferred form of employment is the employment contract but due to the specific nature of individual positions and the needs of employees, there are also other forms of cooperation, such as civil law contracts. The following tables present information on the agreements concluded between the Group's leading company, OPONEO.PL S.A. and employees. In addition, the number of part-time employees is detailed, as well as information on the number of employees earning the minimum wage. OPONEO.PL S.A. has the ambition to be an attractive employer and therefore strives to offer the most favourable conditions possible.

Number of persons employed under contracts other than employment in OPONEO.PL S.A.	31.12.2021	31.12.2022	Change %
Cooperating persons on the basis of civil law contracts (contract for specific work, contract of mandate)	63	16	-74.60%
Persons working under appointment contracts (Management Board)	5	5	0.00%

Number of employment contracts by type at OPONEO.PL S.A.	31.12.2021	31.12.2022	Change %
Full time	388	327	-15.72%
Part time	8	8	0.00%

Number of employment contracts in OPONEO.PL S.A.	31.12.2021	31.12.2022	Change %
for indefinite period	275	234	-14.91%
for defined period	121	101	-16.53%

Minimum wage employment at OPONEO.PL S.A. gender	31.12.2021	31.12.2022	Change %	31.12.2021	31.12.2022	Change %
	M	M		F	F	
Minimum wage (per month)	2,800	3,010	7.50%	2800	3,010	7.50%
Number of employees earning the minimum wage (per month)	4	4	0.00%	0	0	0.00%

It is important for employees to be able to balance their family life with their work. Tables are presented below with data on workers who have taken maternity or paternity leave and an indicator on workers who have returned to work at the end of their childbirth leave.

Maternity/paternity leave at OPONEO.PL S.A. gender	31.12.2021	31.12.2022	Change %	31.12.2021	31.12.2022	Change %
	M	M		F	F	
Number of employees who used the maternity/paternity leave	15	16	6.67%	16	17	6.25%
Number of persons who returned to work from the maternity/paternity leave in the period concerned	15	15	0.00%	15	6	-60.00%
<b>Return-to-work indicator</b>	<b>1.00</b>	<b>0.94</b>	<b>-6.25%</b>	<b>0.94</b>	<b>0.35</b>	<b>-62.35%</b>

### 5.5.2. Diversity and respect for human rights

One of the key principles in the entity's day-to-day operations is the respect for the dignity, equality and diversity of people, in particular employees of Group companies, business partners and customers. Mutual respect, a good working atmosphere and the highest standards of customer service are the cornerstones that have accompanied everyone since the beginning of their employment with the Group. Internal regulations on equality, diversity and human rights are based on applicable Polish legal acts such as the Constitution of the Republic of Poland, the Labour Code and the Civil Code. The main documents governing the Group's approach in this respect are the Work Regulations and the Remuneration Regulations.

#### Employees

OPONEO.PL Group is committed to ensuring diversity for all employees, with a particular focus on the authorities and its key managers. The Company has a policy in place that supports anti-discrimination in employment. To this end, internal regulations have been developed to enhance diversity and provide equal opportunities for professional development among those employed. With regard to diversity aspects, such as the field of study or level of professional experience, recruitment is always based on the specific requirements of the position, both in terms of specific professional qualifications and specific soft skills.

#### Information concerning the share of women and men in the Management Board and the Supervisory Board

In accordance with the principle of "Best Practice for WSE Listed Companies" OPONEO.PL S.A. presents below the share of women and men in the Management Board and the Supervisory Board of OPONEO.PL S.A.

OPONEO.PL S.A. Management Board gender	31.12.2020	31.12.2021	31.12.2022	Share %
Women	0	0	0	0%
Men	5	5	5	100%
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	

OPONEO.PL S.A. Supervisory Board gender	31.12.2020	31.12.2021	31.12.2022	Share %
Women	1	1	1	20%
Men	4	4	4	80%
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	

The objective of OPONEO.PL S.A. is to create a working environment that is characterised by respect for human rights, free from any manifestation of discrimination and unequal treatment. At the beginning of employment, each employee is informed of the obligation to be treated equally with regard to the establishment and termination of the employment relationship, terms and conditions of employment, promotions and access to training to improve professional skills, regardless of any aspect of diversity, including the form of employment. The Group pursues a zero-tolerance policy towards discrimination and bullying by making employees aware of what these phenomena can mean in practice. The relevant provisions are contained in the Work Regulations, collected in one of the appendices and communicated to each employee at the beginning of his or her work.

The OPONEO.PL Group does not in any way restrict the freedom of association of employees and their right to form unions and associations under Polish law. At the moment, no trade union is active in the Group and no collective agreement is in force.

### 5.5.3. Our customers

Customer service is one of the key priorities. The Group's authorities are keen to ensure that customers are happy with their purchase from the shop and that they can be confident that the retailer is keeping them safe on the road by selling the best quality products. OPONEO.PL is also a place where customers can find professional tyre knowledge, up-to-date tests, opinions of other users and reports from sporting events which are supported by the Company. In the case of the other online stores in the group - customers can rely on detailed product descriptions and an extensive database of opinions from other customers.

Every employee starting work in the Customer Service Department of OPONEO.PL S.A. has to get acquainted with the applicable standards concerning the quality of customer service. The Company has a Book of Standards in place, which is an accepted set of applicable rules for external and internal customer service. In addition, all necessary information, rules, guidelines are provided to the new employee during the initial training and he/she is regularly held accountable for their application in daily work. Moreover, in order to improve the quality of customer service and to control the adopted standards, conversations between the Company's employees and customers are recorded and regularly listened. The appraisal is a part of the bonus system, individually determined for each team. This is an important source of feedback for us, regarding customer service needs as well as possible training needs of the Company's employees.

Every customer has the opportunity to evaluate the service, to talk to a Company employee, as well as to use the complaints process. In each case, customers receive an email survey asking them to provide their feedback. In addition, the following mailboxes are available to customers:

info@oponeo.pl; reklamacje@oponeo.pl; uwagi@oponeo.pl where they can address questions, opinions and comments. Both surveys and mailbox submissions are regularly checked and analysed. The Company has specific complaint procedures described on the publicly accessible website: [www.oponeo.pl/reklamacje](http://www.oponeo.pl/reklamacje). As part of the complaints process, each customer receives ongoing email notifications of the complaint stage and the next steps.

## 5.6. SOCIAL INVOLVEMENT

OPONEO.PL S.A. aims to be a good and appreciated neighbour in the community in which it operates. The company is building a credible image in the industry and in the local environment through a range of sponsorship activities.

The Company's main activities for society focus on supporting the development of sports and sporting initiatives and the passions of children and adults. We support children's competitive football through sponsorship of sports initiatives implemented by: Bergovia Academy of Sports, Little Champions Football Academy, Rainbow Bydgoszcz Foundation Football Academy, Builders' Sports Club. OPONEO.PL S.A. is also one of the main sponsors of women's volleyball - KS Pałac Bydgoszcz (seniors and juniors).

In order to popularise sport among children up to the age of 13, free training sessions were organised for the youngest during the summer holidays. The following initiatives were implemented in 2022: "Oponeo Holidays with the Chemist", "Sport Summer with Oponeo and Bergovia Sports Academy", "Holidays with AP Little Champions". Approximately 500 children took part in each edition.

As part of the promotion of motorsport, the Company cooperates with the OPONEO Motorsport Association, which promotes activities for the restoration of rally-cross in Poland.

Another area of involvement of GK OPONEO.PL is cycling, which is accompanied by the development of one of the companies of the OPONEO.PL Group, namely Dadelo S.A., which sells bicycles and bicycle accessories. The promotion of healthy lifestyles and an environmentally friendly mode of transport, is achieved by working with cyclists: Bartosz Huzarski and Michał Paluta. The collaboration is mutually beneficial as it allows the athletes to develop in sport, while at the same time the Company has gained brand ambassadors and access to expertise.

In addition, OPONEO.PL S.A. sponsors Rafał Wilk, an athlete with a disability practising handbike in his preparation and on the way to the Paralympic Games Paris 2024.

In 2022, the Company supported the project: "Back to School with UNICEF" by making a donation to UNICEF earmarked for children affected by the war in Ukraine.

In addition, the Company carries out a number of local social activities in and around Bydgoszcz. Each sponsorship offer is approached individually by OPONEO.PL S.A., helping to develop the passions and interests of children and adults alike.

## 5.7. ENVIRONMENTAL PROTECTION

The environment of the OPONEO.PL Group is mainly affected by its office activities, warehousing and transport of tyres. The Company's overriding principle is to mitigate negative impacts, which is often accompanied by financial benefits through increased efficiency and process optimisation.

OPONEO.PL S.A. consistently implements ecologically effective solutions for office and warehouse space management. When expanding its headquarters with another office building, the Company consistently remained committed to green energy sources powering highly efficient CO<sub>2</sub>, air conditioning and ventilation systems. Dozens of geothermal boreholes were drilled and, based on the lower source, a heat pump system with a heating capacity of around 500 kW was put into operation. The new building uses window joinery with improved thermal and acoustic insulation, and

in 2018 the joinery was also replaced in the old buildings. Additional environmentally friendly solutions in the new building include the use of mechanical ventilation with heat recovery and increased insulation of the building envelope, including walls, roof and ground floor. Investment has also been made in photovoltaic solutions. The photovoltaic pilot plant produces electricity that is routed to the internal grid, reducing the amount of electricity drawn from an external supplier.

LED lighting was installed throughout the building and the outdoor lighting on the Company's premises was upgraded to LED sources in its entirety, along with automated light intensity control and motion detection. The Company's new, enlarged site has been illuminated entirely with LEDs and the existing external lighting was replaced. At the same time, the lighting system of the existing buildings was modernised by replacing the existing luminaires with new energy-efficient ones. 300 fluorescent luminaires of 72W/unit were removed by replacing them with 290 40W/pc LED luminaires.

In 2022, the Company continued the "Podleśna Apiary" project. As part of the project, 10 bee hives have been set up nearby the OPONEO.PL head office, which are monitored by dedicated bee hive sensors. In order to provide the bees with a suitable environment, a flower meadow was sown, thanks to which they have adequate access to the flower nectar necessary for the production of honey around the apiary, which the employees of OPONEO.PL S.A. received after honey harvesting. This project has a direct positive impact on the environment - on the one hand, bees are an essential part of many ecosystems, and on the other hand, flower meadows have a positive impact on air purity. In terms of biodiversity, this solution is much more beneficial than a traditional lawn.

#### 5.7.1 Electricity, heat, gas and water consumption

The consumption of electricity, heat, gas and water is related to the day-to-day operational activities of OPONEO.PL CG Companies. It is divided into office and warehouse work. Electricity is used largely for room lighting and to power computers. Gas was used to heat a warehouse located in the Bydgoszcz Industrial Park. Since August 2022, the Company has not used the storage facility located in the Industrial Park, which has significantly reduced gas consumption. The table below provides information on energy consumption of each source. Non-renewable energy sources include diesel, used in power generators. The generators are not used in day-to-day operations, they provide a safety net in the event of a failure of the primary source of electricity. For maintenance purposes, the generators are run once a month, for which a small amount of diesel is used.

Energy consumption by OPONEO.PL S.A.	measurement unit	2021	2022	change
Heat consumption	GJ	0.00	0.00	-
Cooling consumption	GJ	0.00	0.00	-
Gas consumption	GJ	6,114.03	2,992.36	-51.06%
Renewable energy consumption (PV)	MWh	41.80	47.02	12.50%
Electricity consumption	MWh	2,363.59	2,778.80	17.57%
<b>Total energy consumption</b>	<b>MWh</b>	<b>2,405.39</b>	<b>2,825.83</b>	<b>17.48%</b>

In order to provide a clearer representation of energy consumption, the energy consumption rates of each source were calculated in relation to revenue and the number of tyres sold. Of course, tyres are not the only goods offered by the Company, but they are the prevailing source of revenue. The proposed indicators provide information on the quantity of energy from each source the Company needs to consume to generate one million PLN in revenue or sell one tyre.

Energy intensity indicators of OPONEO.PL S.A.	measurement unit	2021	2022	change
Renewable energy per PLN 1 million revenue	kWh/PLN 1 million revenue	33.20	33.52	0.95%
Energy from non-renewable sources per tyre	kWh/ton	0.59	0.71	20.60%
Energy from non-renewable sources per PLN 1 million revenue	kWh/PLN 1 million revenue	1,877.27	1,980.61	5.51%
Energy from all sources per tyre	kWh/ton	0.60	0.72	20.51%
Energy from all sources per PLN 1 million revenue	kWh/PLN 1 million revenue	1,910.46	2,014.13	5.43%

Companies in the OPONEO.PL Group use water mainly for sanitary purposes. The only source of water for the companies is the municipal water supply. Moreover, a storage reservoir is located on the premises of OPONEO.PL S.A.. The water collected in it is used to water the lawns. The water consumption and the volume of wastewater discharged by OPONEO.PL S.A. is shown in the table below.

Water consumption and wastewater discharged by OPONEO.PL S.A.	measurement unit	2021	2022	change
Water consumption	cubic metres	5,533.00	8,460.61	52.91%
Total wastewater discharged	cubic metres	2,947.00	4,243.81	44.00%

### 5.7.2 Greenhouse gas emissions

The Group companies' greenhouse gas emissions are direct and indirect. The first type is related to the day-to-day operations and functioning of the office buildings and warehouses. Direct greenhouse gas emissions were estimated on the basis of electricity, gas and thermal energy consumption under the KOBiZE guidelines. The input data for the calculations were invoices from the suppliers of the aforementioned utilities. The volumes of direct emissions in the last two years for OPONEO.PL S.A., presented in the table below, show a reduction of 52% in emissions related to fuel consumption in 2022, while an increase of over 13% in emissions which are electricity consumption. This is primarily related to the change of location of the Company's warehouse and thus a change in the proportion of consumption of certain utilities, when operating the main warehouse in the new location.

Compared to direct emissions, indirect emissions account for a much larger share of greenhouse gas emissions. This is due to the fact that all companies of the OPONEO.PL Capital Group operate in the e-commerce sector. All shipments of customer orders are delivered via external courier companies. Based on internal data containing customer order information, indirect greenhouse gas emissions were estimated for 2021. The data model used data on the postcode of the delivery, the postcode of the warehouse from which the order was shipped and the weight of the shipment. Routes and order weights were calculated on this basis. Scientific sources provide different values for carbon dioxide emissions per tonne of goods transported over a distance of one kilometre in road transport. Emission values proposed by researchers range between 45 and 62 g/km/tonne<sup>28</sup>. For precautionary reasons, the higher of these values was used in the calculations. It should be borne in mind that the

<sup>28</sup>Sources: DTU: [backend.orbit.dtu.dk/ws/files/158911010/Working\\_Paper\\_4\\_Emissions\\_from\\_Shipping.pdf](https://backend.orbit.dtu.dk/ws/files/158911010/Working_Paper_4_Emissions_from_Shipping.pdf)  
 ECTA: [www.ecta.com/wp-content/uploads/2021/03/ECTA-CEFIC-GUIDELINE-FOR-MEASURING-AND-MANAGING-CO2-ISSUE-1.pdf](https://www.ecta.com/wp-content/uploads/2021/03/ECTA-CEFIC-GUIDELINE-FOR-MEASURING-AND-MANAGING-CO2-ISSUE-1.pdf), January 2023

Scope 3 data for 2021 are only an estimate of greenhouse gas emissions, as it is not possible to examine the exact transport routes and fuel consumption of the vans. However, despite these limitations, the data presented can provide valuable information to the readers of this report. Data on emissions resulting from transports of goods in 2022 were presented on the basis of information obtained directly from companies providing transport services for OPONEO.PL S.A. It can be seen that the amount of greenhouse gas emissions at this level (scope 3) shows a decrease of more than 47% year-on-year, which is a good trend.

Emission indicators for OPONEO.PL S.A.	measurement unit	2021	2022	change
<b>Scope 1</b>				
Emissions resulting from fuel consumption in buildings and installations	tonnes of CO <sub>2</sub>	338.78	165.81	-51.06%
<b>Scope 2</b>				
Emissions resulting from the purchase of electricity	tonnes of CO <sub>2</sub>	1,808.15	2,125.78	17.57%
Emissions resulting from the purchase of heat	tonnes of CO <sub>2</sub>	0.00	0.00	-
<b>Scope 3</b>				
Emissions resulting from goods sold	tonnes of CO <sub>2</sub>	7,787.72	4,060.04	-47.87%
<b>Total GHG emissions</b>	tonnes of CO <sub>2</sub>	9,934.64	6,351.63	-36.07%
<b>Ratios</b>				
GHG emissions per tyre sold	kg CO <sub>2</sub> /tonne	2.48	1.63	-34.42%
GHG emissions for PLN 1 million revenue	kWh/PLN 1 million revenue	7,890.53	4,527.18	-42.63%

In addition to the estimated greenhouse gas emissions, emission intensity factors similar to those proposed in the energy consumption table are presented.

As a result of the energy audit carried out in 2017, the company implemented a number of measures to improve and undertake thermal modernisation projects selected on the basis of the condition assessment. In order to reduce heat loss in the buildings as a result of penetration through the external walls, the façade was insulated using sandwich (insulation) panels. In addition, as part of the modernisation of the heating system, a connection was made between the warehouse and the heat pump installed in the neighbouring office building. This allowed the surplus heat energy from the geothermal source to be used during the winter season to reheat the neighbouring storage hall. As a result of the connection to the heat pump store, the consumption of fuel oil has been eliminated. The environmental effect is the reduction in pollution emissions, while the social effect is an improvement in the working conditions of employees and other occupants of the modernised building.

A summary resulting from the energy audit is presented below, including the energy consumption status before retrofitting and the planned status after retrofitting. The energy consumption of the gatehouse after the upgrade is shown to be zero, as all electricity consumption is covered by the photovoltaic installation.

### Final energy demand and CO2 emissions\*

Energy carrier	Condition before modernisation		Condition after modernisation	
	Final energy demand [GJ/year] or [MWh/year]	Emission [MgCO <sub>2</sub> /year]	Final energy demand [GJ/year] or [MWh/year]	Emission [MgCO <sub>2</sub> /year]
<b>Building 1</b>				
Electricity	467.28 GJ	372.89	417.17 GJ	332.90
<b>Building 2 - gatehouse</b>				
Electricity	19.74 GJ	15.75	0 GJ	0.00
<b>Warehouse</b>				
Electricity	249.76 GJ	199.31	229.85 GJ	183.42
Total	736.78 GJ	587.95	647.02 GJ	516.32

\*Data based on energy audit performed in August 2021, Emission factor [kgCO<sub>2</sub>/GJ] or [MgCO<sub>2</sub>/MWh] according to. KOBiZE – 0.798.

As part of the planned upgrades, the old building had its faucets replaced with water-saving faucets. As a result of the refurbishment, faucets in all toilets (8 units) were replaced with automatic devices with electric control and flow limiters to reduce water consumption/cycle. In addition, there are plans to install irrigation for green spaces fed by rainwater collected from roofs. The discharge of rainwater from the car parks after treatment into the municipal storm water drainage system is performed. The separator reduces the amount of oil-based pollutants in rainwater collected from car parks. Waste segregation is carried out on the entire premises of the Company.

In the building complex located at 17, Podleśna Street in Bydgoszcz, the energy audit of the buildings is carried out regularly every four years. This includes office buildings and a warehouse. The aim is to verify the impact on the external environment of the operational activities carried out by Group companies at this location. The 2021 audit analysed the impact of commissioning of the photovoltaic installation. Information on the amount of energy obtained from this investment can be found in the table on electricity consumption. Currently, the warehouse at 17, Podleśna Street in Bydgoszcz is leased to Dadelo S.A.

In order to reduce distances and the time taken to transport shipments from the warehouse to the customer, a logistics centre in Zelgoszcz, near Łódź, was opened in Q2 2022. The warehouse is located close to three main sorting centres of DPD (OPONEO.PL's main partner in the scope of courier services): Stryków sorting plant at a distance of 3 minutes' drive, Warsaw sorting plant - 1.5 hours away and Ruda Śląska sorting plant - 2.4 hours away. This provides the ability to handle very high daily volumes and to process customer orders quickly. By locating the warehouse in this way, transport costs and distances have been reduced and optimised, which undoubtedly also contributes to lower CO<sub>2</sub> emissions. Photovoltaic panels are also installed, which will power virtually 100% of the office building at the logistics centre. At the next stage, a photovoltaic extension is planned to power the warehouse lighting.

### 5.7.3 Waste discharged on the market, recycling and disposal

The OPONEO.PL Capital Group generates mainly waste consisting of plastics and cardboard packaging. According to legal requirements, a certain part of this waste must be recycled or recovered. A crusher is used to reduce the volume of waste, which makes it possible to perform waste collections at greater intervals. The table below shows data on waste brought to market and recycled and recovered. Waste management services are provided by external parties.

Goods, waste and recycling at OPONEO.PL S.A.	measurement unit	2021	2022	change
<b>Waste and goods placed on the market</b>				
Tyres	tonnes	13,326.74	14,271.58	7.09%
Paper and cardboard packaging	tonnes	31.36	31.13	-0.75%
Plastic packaging	tonnes	19.83	30.22	52.36%
Wood packaging	tonnes	0.00	0.00	-
<b>Recycled and recovered waste</b>				
Recycling of packaging waste	tonnes	3.56	4.29	20.75%
Recovery of packaging waste	tonnes	0.00	0.00	-
Tyre recovery	tonnes	9,995.05	10,703.68	7.09%
Sales of waste paper	tonnes	0.00	0.00	-

OPONEO.PL S.A. Company is subject to the tyre disposal obligation. The table below shows data on the number of tyres collected by recyclers directly from the sites and transferred for recycling from the Company warehouse.

Tyres sent for recycling	measurement unit	2021	2022	change
Tyres collected directly from service centres	pcs	179,693	174,418	-2.94%
Tyres transferred for recycling from the warehouse of OPONEO.PL S.A.	pcs	5,000	2,900	-42.00%

Moreover, in 2022, OPONEO.PL S.A. launched a nationwide environmental campaign related to the topic of recycling used tyres. As part of the project, 68 green space clean-up campaigns were organised in various locations. In exchange for every 4 used tyres handed in between 21 March and 22 April 2022 to partner workshops or collected during local clean-up events, 1 tree was planted. The number of tyres collected allowed OPONEO.PL S.A. to plant 2,872 trees. More than 1,000 people from all over Poland were involved in the campaign - from local activists, environmental enthusiasts, teachers and school students to associations and NGOs. Detailed information about the campaign and its impact, as well as tyre recycling, can be found on a dedicated sub-site at [www.oponeo.pl/kreci-nas-recykling](http://www.oponeo.pl/kreci-nas-recykling).

## **APPROVAL FOR PUBLICATION**

The activity report of the Management Board was approved for publication by the Management Board of OPONEO.PL S.A. 5 April 2023.

### **Signatures of persons representing the Company:**

**Dariusz Topolewski**

President of the Management Board

**Michał Butkiewicz**

Member of the Management Board

**Maciej Karpusiewicz**

Member of the Management Board

**Ernest Pujszo**

Member of the Management Board

**Wojciech Topolewski**

Member of the Management Board

**Bydgoszcz, 5 April 2023**

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