

oponeo



# Report of the Management Board on Operations in 2021

06.04.2022

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## LETTER FROM THE PRESIDENT OF THE BOARD

Dear Sir/Madam,

I am pleased to provide you with the annual report on the activities of the OPONEO.PL Group and the OPONEO.PL S.A. company for the year 2021. The year was a very good one for the Group, which is confirmed by the sales results and the constantly growing share in the e-commerce market.

Companies of the OPONEO.PL Group benefit from the dynamic growth of the e-commerce market, which has been influenced by the habits of customers and their experiences gained while shopping during the pandemic, when remote sales became the dominant source of acquiring new customers for many companies. In 2021, the technological transformation of commerce accelerated, with the value of the online industry exceeding PLN 100 billion.

In 2021, we strengthened the position of the OPONEO.PL brand on the tyre sales market and generated a total of PLN 62,826 thousand in consolidated net profit, i.e. by 95.65% more than in the previous year.

The Group's revenues grew by 42.44% year on year and for the first time in its history exceeded one and a half billion zloty, reaching PLN 1,514,546 thousand.

We generated revenue of PLN 1,290,211 thousand from the sale of car accessories, which constituted 85.2% of the Group's total sales revenue. In 2021, we sold a record 4,304.2 thousand tyres in Poland and abroad.

Our sales growth far exceeded the growth of the tyre market in Poland and Europe.

We generated PLN 1,227,084 thousand in revenue from trade on the Polish market, which represents an increase of 43.1%. The share of domestic revenue in total sales revenue of the OPONEO.PL Group reached 81%. Sales on foreign markets increased by 39.6% and amounted to PLN 287,462 thousand.

This good performance in tyre trading is, among other things, the effect of high quality of our services and a very extensive assortment base of tyre products. Once again, the oponeo.pl shop won in the Automotive category by taking the first place in the Opineo 2021 ranking and was among the best e-shops in Poland.

Despite global problems with suppliers and continuity of supply, the Dadelo S.A. subsidiary achieved revenue growth of 27.4%, benefiting from the increase in demand for bicycles and bicycle parts that continued from 2020.

Using the synergy effect and our experience in the e-commerce market, in 2021 we developed the sale of hand tools and power tools through ROTOPINO.PL S.A., whose revenues increased by 43.7% reaching PLN 127 279.6 thousand. We also started online sales of ladders and racks through the company LAM S.A.

The prospects for active growth of the e-commerce segment, the changes of shopping trends and also the expected increase in share of e-commerce in the sales of tyres in combination with our know-how, well-qualified personnel, well-developed logistic facilities, advanced and safe IT solutions and, last but not least, stable financial standing assure us that the Group's growth strategy is appropriate.

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Therefore, in 2022, we will continue our activities aimed at strengthening the market position of the OPONEO.PL Group.

Despite some limitations related to the pandemic still existing in 2021, we have achieved our goals, which demonstrates the special value of the well-established position of the OPONEO.PL Group on the e-commerce market. Similarly to the previous year, we intend to maintain the highest possible levels of sales and profitability in order to maximise our results. At the same time, we place great emphasis on the health and protection of our employees, while keeping in mind the need to ensure business continuity.

Using the proven practices and their implementation in new entities of the OPONEO.PL Group (including the planned Esotiq & Henderson project) will allow us to minimise the risk of seasonality and achieve the effect of scale by expanding the Group.

I would like to sincerely thank all the stakeholders, customers, business partners and employees of the OPONEO.PL Group, who have contributed to the Group's development, and it is my pleasure to invite you to read the Annual Report for 2021.

Yours faithfully,  
*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 European countries.

In 2021, the OPONEO.PL Group generated PLN 1,514,546 thousand of revenue, a 42,4% increase compared to the year 2020.

The company debuted on the Warsaw Stock Exchange in 2007. Its capitalisation as of 31 December 2021 was PLN 886.3 million.

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

### Brief information on the financial results of the OPONEO.PL Group, for the years 2007-2021

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues in PLN million	1,515	1063	962	843	708.5	545.8	416.5	322.7	259.1	207.1	171	144.1	85.7	94.3	64.8
Profit/loss on sales in PLN million	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	5
Result on operating activities in PLN million	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	5.1
Gross result in PLN million	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	5.2
Net result in PLN million	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	4.1
Earnings per 1 share in PLN	4.51	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	0.33
Declared or paid dividend per one share in PLN	1	0.1	0.4	0.35	0.2	0.1	0.05	0.03	0.03	0.2	0	0.01	0	0.1	0

## SELECTED FINANCIAL DATA

Selected financial data of GK OPONEO.PL	in PLN '000		in EUR '000	
	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
Net revenues from sales of products, goods and materials	<b>1,514,546</b>	<b>1,063,260</b>	<b>330,868</b>	<b>237,642</b>
Profit (loss) from sales	309,119	217,223	67,530	48,550
Operating income (loss)	79,473	36,866	17,362	8,240
Gross profit (loss)	78,486	34,791	17,146	7,776
Net profit (loss)	<b>62,826</b>	<b>32,111</b>	<b>13,725</b>	<b>7,177</b>
Net cash flows from operating activities	96,197	21,331	20,915	4,622
Net cash flows from investing activities	-21,998	-42,790	-4,783	-9,272
Net cash flows from financial activities	80,894	-2,534	17,588	-549
Net cash flows in total	<b>155,093</b>	<b>-23,993</b>	<b>33,720</b>	<b>-5,199</b>
<b>Assets in total</b>	<b>618,708</b>	<b>381,304</b>	<b>134,519</b>	<b>82,626</b>
Liabilities and provisions for liabilities	268,212	154,972	58,315	33,582
Long-term liabilities	35,064	13,754	7,624	2,980
Short-term liabilities	233,148	141,218	50,691	30,601
<b>Equity</b>	<b>350,496</b>	<b>226,332</b>	<b>76,205</b>	<b>49,045</b>
Share capital	13,936	13,936	3,030	3,020
<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 ordinary share (in PLN/EUR)	4.51	2.30	0.98	0.51
Diluted profit (loss) per ordinary share (in PLN/EUR)	4.51	2.30	0.98	0.51
Accounting value per one share (PLN/EUR)	25.15	16.24	5.47	3.52
Diluted accounting value per one share (PLN/EUR)	25.15	16.24	5.47	3.52

Selected financial data of OPONEO.PL S.A.	in PLN '000		in EUR '000	
	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
Net revenues from sales of products, goods and materials	1,259,058	981,323	275,054	219,329
Profit (loss) from sales	252,316	195,191	55,121	43,626
Operating income (loss)	68,572	28,847	14,980	6,447
Gross profit (loss)	66,967	26,755	14,630	5,980
Net profit (loss)	53,928	25,361	11,781	5,668
Net cash flows from operating activities	125,912	22,357	27,376	4,845
Net cash flows from investing activities	-5,120	-41,343	-1,113	-8,959
Net cash flows from financial activities	4,032	-7,505	877	-1,626
Net cash flows in total	124,824	-26,491	27,139	-5,740
<b>Assets in total</b>	<b>490,345</b>	<b>346,725</b>	<b>106,611</b>	<b>75,133</b>
Liabilities and provisions for liabilities	237,243	130,954	51,581	28,377
Long-term liabilities	30,002	8,179	6,523	1,772
Short-term liabilities	207,241	122,775	45,058	26,605
<b>Equity</b>	<b>253,102</b>	<b>215,771</b>	<b>55,029</b>	<b>46,756</b>
Share capital	13,936	13,936	3,030	3,020
<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 ordinary share (in PLN/EUR)	3.87	1.82	0.84	0.41
Diluted profit (loss) per ordinary share (in PLN/EUR)	3.87	1.82	0.84	0.41
Accounting value per one share (PLN/EUR)	18.16	15.48	3.95	3.36
Diluted accounting value per one share (PLN/EUR)	18.16	15.48	3.95	3.36

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

- For items of the statements of comprehensive income and the statements of cash flows:
  - 4.5775 – the exchange rate calculated as the average of NBP exchange rates for the last day of each month of the year 2021,
  - 4.4742 – the exchange rate calculated as the average of NBP exchange rates for the last day of each month of the year 2020.
- For the items of the statement of financial position:
  - 4.5994 – NBP exchange rate from 31 December 2021,
  - 4.6148 – NBP exchange rate from 31 December 2020,



# 1. MACROECONOMIC SITUATION AND E-COMMERCE SECTOR



## 1. MACROECONOMIC SITUATION AND E-COMMERCE SECTOR

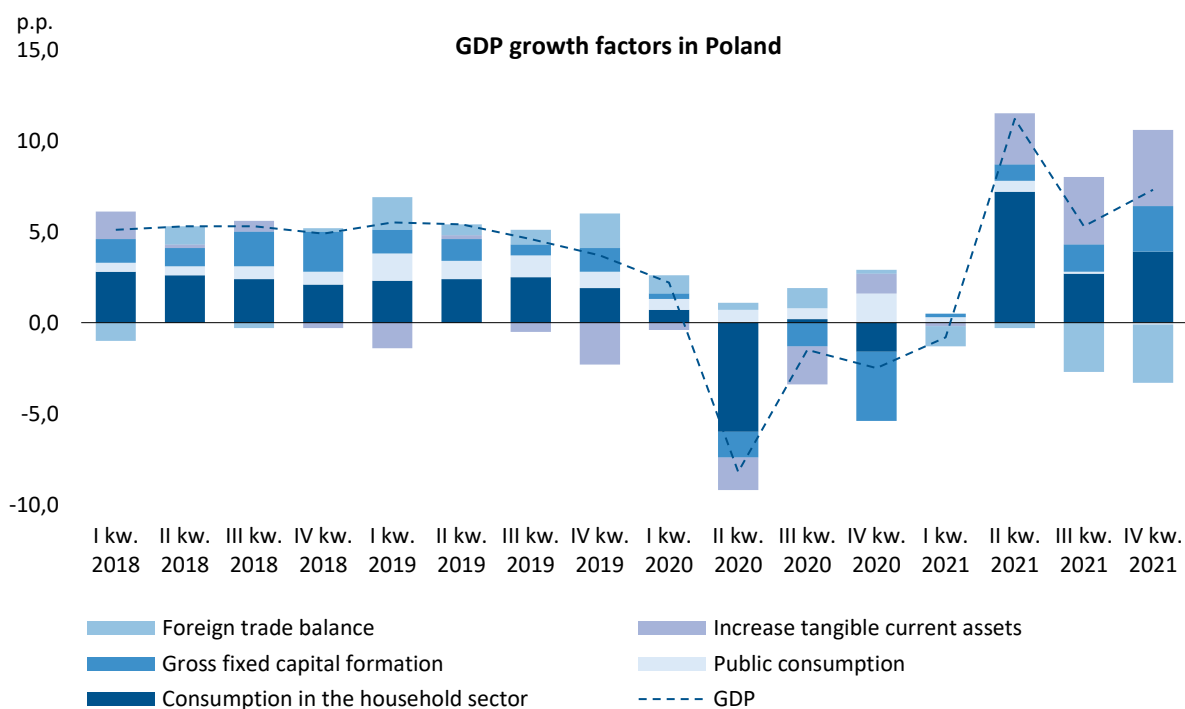
### 1.1. ECONOMIC GROWTH RATE

In 2021, according to estimates by Statistics Poland, the value of GDP in Poland was higher by 5.7% compared to 2020, which saw a decrease 2.5%.<sup>1</sup> GDP growth in 2021 in Poland was higher than in the EU. The whole of 2021 was characterised by the realisation of deferred demand by consumers, which had a positive impact on economic performance worldwide, but translated into higher inflation.

Based on the available data, the following growth dynamics of gross value added were estimated for 2021, compared to 2020:

- in the national economy - an increase of 5.3% (against a decrease of 2.6% in 2020);
- in industry - an increase of 14.1% (against a decrease of 5.3% in 2020);
- in construction - an increase of 1.2% (against a decrease of 4.6% in 2020);
- in trade and repair - an increase of 5.9% (against a decrease of 2.7% in 2020);

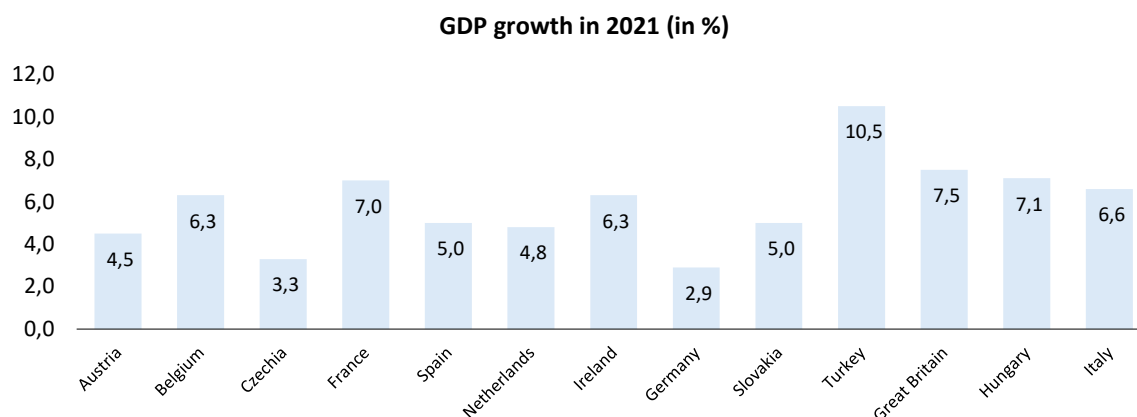
A very positive development was the growth in 2021 of domestic demand, which increased by 8.2% in real terms compared to 2020, where a decline of 3.4% was recorded. In turn, comparing total consumption in 2021 against 2020, a real increase of 4.8% was recorded (previously a decrease of 1.1%), while consumption in the household sector increased by 6.2% (compared to the decrease of 3.0% in 2020).



<sup>1</sup> Statistics Poland, Gross domestic product in 2021 - preliminary estimate, [<https://stat.gov.pl/obszary-tematyczne/rachunki-narodowe/roczne-rachunki-narodowe/produkt-krajowy-brutto-w-2021-roku-szacunek-wstepny,2,11.html>], January 2022.

Gross fixed capital formation in 2021 compared with the previous year increased by 8.0% (compared with a decrease of 9.0% in 2020). In 2021, the investment rate in the national economy (the ratio of gross fixed capital formation to gross domestic product at current prices) was, as in 2020, 16.6%. According to Statistics Poland, the registered unemployment rate at the end of December 2021 was 5.4%.<sup>2</sup> The number of registered unemployed at the end of December 2021 was 895,7 thousand, compared to 1046.4 thousand at the end of 2020.

GDP estimates for the European Union as a whole for 2021 published by Eurostat indicate GDP growth of 5.2%<sup>3</sup>. The dynamics of GDP growth in other countries in which OPONEO.PL Group operated was at the following level:



Source: Eurostat

Significant economic growth was also accompanied by rising prices. According to the Estimates by Statistics Poland, consumer price growth in 2021 compared to the previous year was 5.1%<sup>4</sup>. Inflation in Poland reached its highest value in over a dozen years. This could be a major factor inhibiting economic growth. With high inflation, real incomes of Poles will grow slowly, weakening consumer demand. This in turn will translate directly into a significant slowdown in economic growth.

HICP inflation in the European Union was 5.0% at the end of 2021, while the annual change recorded in January 2022 was already 5.6%<sup>5</sup>. Inflation in the EU reached its highest level since 2008. The biggest contributors to this increase in the inflation rate were mainly increases in energy and food prices.

<sup>2</sup> Statistics Poland, Gross domestic product in 2021 - preliminary estimate, [<https://stat.gov.pl/obszary-tematyczne/rachunki-narodowe/roczne-rachunki-narodowe/produkt-krajowy-brutto-w-2021-roku-szacunek-wstepny,2,11.html>], January 2022.

<sup>3</sup> Eurostat, [<https://ec.europa.eu/eurostat/documents/2995521/14245715/2-15022022-AP-EN.pdf>], February 2022.

<sup>4</sup> Statistics Poland, Annual consumer price indices, [<https://stat.gov.pl/obszary-tematyczne/ceny-handel/wskazniki-cen/wskazniki-cen-towarow-i-uslug-konsumpcyjnych-pot-inflacja-/roczne-wskazniki-cen-towarow-i-uslug-konsumpcyjnych/>], December 2021.

<sup>5</sup> Statista, Harmonized index of consumer prices (HICP) inflation rate of the European Union [<https://www.statista.com/statistics/685943/cpi-inflation-rate-europe/>], January 2022.

## 1.2. FINANCIAL MARKET

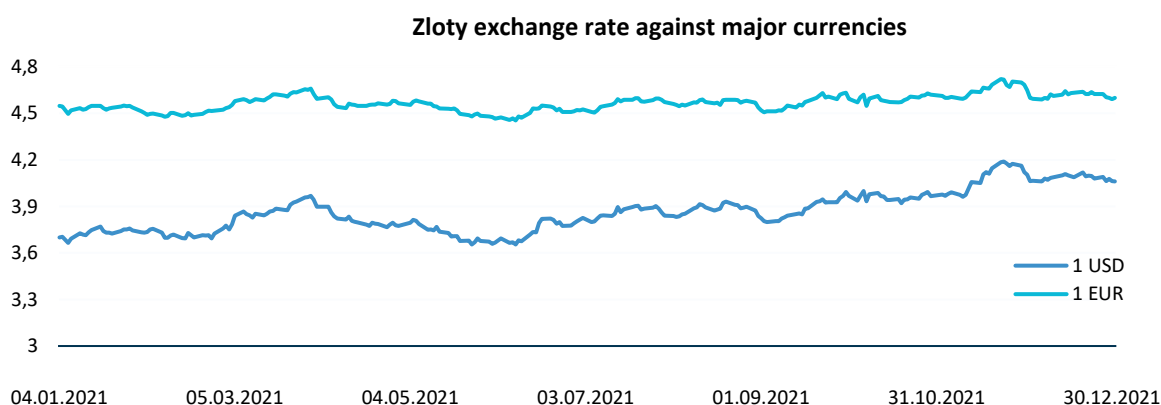
The whole of 2021 saw a reduction in pandemic restrictions, with most countries around the world not having as severe restrictions as in 2020. This has been reflected in economic growth and in stock markets. Most global equity indices showed positive returns in 2021. Positive stock market moods encouraged many companies to conduct their initial public offerings in the market.

2021 was a record year for initial public offerings on stock exchanges in Europe. A total of 422 IPOs were conducted, raising EUR 75 billion. That compares with 135 IPOs in 2020, which raised EUR 20.3 billion. In Poland, 44 offerings (combined on the regulated market and NewConnect) worth PLN 9.31 billion were conducted in 2021.

Global interest rates have been kept at record lows by central banks for most of 2021. Going back to the events of 2020, central banks cut interest rates to historic lows as a response to the economic shock caused by the COVID-19 pandemic. Due to rising inflation, central banks began a cycle of interest rate hikes in late 2021 and fundamentally changed their rhetoric on monetary policy.

The Monetary Policy Council made three interest rate hikes in 2021 and three more this year. As at 08 March 2022, interest rates are at the following level: reference rate: 3.50%, lombard rate: 4.0%, deposit rate 3.0%.<sup>6</sup> The return of inflation prompted the NBP to tighten its monetary policy in order to curb the dynamic rise in prices. This will undoubtedly translate into the cost of raising finance for companies and reduce domestic investment.

Rising inflation in Poland and the lack of reaction from monetary authorities for most of 2021 led to a significant weakening of the zloty against most major currencies. However, the zloty is no exception in the basket of emerging market currencies, most of which lost to the major currencies. The Russian ruble lost 3.4% to the US dollar, the Turkish lira almost 50%, the Hungarian forint nearly 6%. The Polish zloty lost 0.6% against the euro, 8.9% against the US dollar and 7.6% against the British pound.



Source: NBP

The last year has witnessed a weakening of the zloty. Higher exchange rates may hamper imports, while at the same time increasing the costs of purchasing raw materials, which may translate into lower competitiveness of the Polish economy.

<sup>6</sup> NBP, [[https://www.nbp.pl/home.aspx?f=/dzienne/stopy\\_archiwum.htm](https://www.nbp.pl/home.aspx?f=/dzienne/stopy_archiwum.htm)], December 2021.

As at 31.12.2021 the exchange rates of the main currencies to the Polish zloty were as follows<sup>7</sup>:

- CHF/PLN exchange rate - 4.4484
- GBP/PLN exchange rate - 5.4846
- USD/PLN exchange rate - 4.0600
- EUR/PLN exchange rate - 4.5994

### 1.3. AUTOMOTIVE MARKET

According to the data from the Central Register of Vehicles and Drivers ("CEPiK"), there were 1.85 million vehicle registrations in Poland in 2021, compared to 1.65 million a year earlier.

Based on data from the Central Registry of Vehicles and Drivers, the biggest losses were suffered by car dealerships selling new cars. Lockdowns and closed borders resulted in a 16.9% drop in registrations of used cars imported from abroad. Imported cars accounted for 26% of last year's registrations (771,000).

In 2021, like in 2020, the number of registered new cars and vans weighing up to 3.5t in Poland was less than half a million, according to data from the Polish Automotive Industry Association.

Last year, 446 thousand new passenger cars were registered, 4.1% more than in 2020. Private customers bought 115 thousand new cars, 1.4% less than in the previous year. There were 74 thousand new vans up to 3.5t, 24% more than in 2020<sup>8</sup>.

### 1.4. TYRE MARKET

The data gathered by ETRMA (European Tyre and Rubber Manufacturers' Association) indicates that 219.5 million pcs of replacement tyres for passenger cars were sold in Europe in 2021, that is a year-on-year increase of 14%. Increases were recorded in all tyre segments, including truck tyres (+25%) and motorcycle tyres (+14%). Throughout 2021, all-season tyre sales grew the strongest (+35%), with winter and summer tyre sales up 9%.

In Poland, sales increased in all segments: passenger car tyres (+27%), SUVs (+41%), trucks (+14%), vans (+44%), agricultural tyres (+31%), motorcycle tyres (+0.3%), and industrial tyres (+11%). However, the market share of budget tyres is decreasing. In 2021, sales of winter and all-season tyres grew by over +40%, and summer tyres by almost +15%.<sup>9</sup>

### 1.5. TOOL AND DIY MARKET

The tool market ended 2021 with strong increases. Based on market observations, it can be estimated that the total sales value for the industry has reached a level about 1/3 higher than in 2020.

One of the driving forces behind the development of the tool industry was the strongly correlated housing construction. Despite rising inflation and steadily increasing raw material costs, a total of 6.3% more flats were completed in 2021 compared to the previous year, while the increase in the number of flats completed by individual investors reached as much as 19.4%<sup>10</sup>.

<sup>7</sup> NBP, [[https://www.nbp.pl/home.aspx?f=/kursy/arch\\_a.html](https://www.nbp.pl/home.aspx?f=/kursy/arch_a.html)], December 2021.

<sup>8</sup> CEPIK, [<http://www.cepik.gov.pl/statystyki>], January 2022.

<sup>9</sup> Etrma, ETRMA Members' Tyre Sales in Europe: Weaker Market for 2021, [[https://www.etrma.org/wp-content/uploads/2022/01/20220119\\_PR-ETRMA-Tyre-sales-2021.pdf](https://www.etrma.org/wp-content/uploads/2022/01/20220119_PR-ETRMA-Tyre-sales-2021.pdf)], January 2022.

<sup>10</sup> Housing construction in January - December 2021, Statistics Poland, Warsaw 2022.

Rising inflation, an average annual increase in tool prices of around 8%, almost double that of 2020<sup>11</sup>, has not discouraged people from carrying out renovations, which is confirmed, among other things, by the results of the subsidiary Rotopino.pl S.A., which in 2021 achieved a preliminary revenue growth of 43.1%. Prudent stock management, which ensured continuity in sales of key products and enabled the constant expansion of the range with new products, contributed to the increases.

## 1.6. BICYCLE MARKET

For the full year 2021, demand was greater than supply in most product categories. The industry was still struggling with the effects of the restrictions and the closure of factories in the Far East due to the coronavirus. Significantly lower supply than demand in the bicycle category at the start of the season was offset in the fourth quarter by delayed deliveries from a large proportion of the relevant manufacturers. Prices increased significantly for all suppliers in the market. Bike prices increased between 15 and 25% compared to the previous year. The difficult situation in the spare parts market persisted throughout the year, which severely limited the margin on service revenues. The last quarter of 2021 saw already a slight recovery in the components market. The trend of increasing off-season sales continued, which positively influenced the liquidity of companies in the cycling industry.

## 1.7. E-COMMERCE MARKET

### Market growth rate in Europe

The European Ecommerce Report 2021 indicates that B2C trade turnover in Europe reached EUR 803 billion in 2021, an increase of 12% year-on-year. The strong result comes from the rapid growth of this mode of commerce and the changes in consumer habits under the impact of the COVID-19 pandemic. The highest annual spending on online shopping in 2021 was declared by residents of Denmark (EUR 2916), Norway (EUR 2364), the UK (EUR 2316), France (EUR 2208). For comparison, in Poland they amounted to EUR 1296. There is a clear correlation between the amount of purchases made and the wealth of the population. Western Europeans and Scandinavians declare the highest spending.

The percentage of people who shop online varies greatly from country to country, ranging from 92% to 34%. According to the report e-commerce in Europe 2021 is highest in the UK, where it reaches as much as 92% of people aged 16 to 74. The Netherlands comes second with 91%. Online sales are also significant in Denmark (90%). The overall growth of interest in e-commerce services can be seen especially in the Scandinavian countries. In addition already mentioned Denmark, Norway (87%) and Sweden (86%) are among the European leaders in this respect. Countries with a high percentage of online shoppers include: Iceland (83%), Germany (87%), Switzerland (90%), as well as France (78%), Belgium (79%), the Czech Republic (80%) and Poland (72%). Serbia and Romania have not yet passed the 50% threshold. The lowest percentage (34%) of online shoppers is recorded in Moldova<sup>12</sup>.

The widespread use of e-commerce has a clear correlation with the Internet accessibility rate, which varies from 100% in Norway and Iceland to 77% in Bosnia and Herzegovina. The average Internet penetration rate in 2021 is estimated at 90%.

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<sup>11</sup> Changes in prices of construction and home and garden materials during the 12 months of 2021, PSB Group, 12.01.2022.

[<https://www.grupapsb.com.pl/centrum-prasowe/trendy-cenowe/trend/zmiany-cen-materialow-budowlanych-oraz-do-domu-i-ogrodu-w-grudniu-i-za-12-miesiecy-2021-r.html>]

<sup>12</sup> European Ecommerce Report 2021, [<https://www.postnord.se/siteassets/pdf/rapporter/e-commerce-in-europe-2021.pdf>], January 2022



In Europe, the number of internet users using online shopping increased from 63% to 74% between 2016 and 2021. When taking into account only the 16-54 age group, the figure is 80%<sup>13</sup>.

### E-commerce market in Poland

The value of the Polish e-commerce market for 2021 is estimated at PLN 100 billion<sup>14</sup>, similarly as in 2020. Categories such as clothing, footwear, cosmetics and books were the most popular for online shopping. According to the cited report, respectively 73%, 61%, 57% and 56% of users in Poland declared that they made a purchase in one of these categories during 2021.

The estimates do not seem exaggerated - e-commerce in Poland has developed rapidly over the past 5 years and Poles frequently buy online. The percentage of Polish internet users using this form of shopping has increased from 56% to 77%, which is above the European average. Not only is the number of people rejecting this form of shopping decreasing, but also one in three respondents in the "E-commerce in Poland 2021" report prepared by Gemius, declared that their spending on e-shopping has increased as a result of the COVID-19 pandemic<sup>15</sup>.

The Gemius report<sup>16</sup> also shows that 75% of internet users choose Polish stores, while 32% also use foreign ones. The most active group are those aged 35-49, while the least active are those aged over 50 (72% of people in this age group use online shopping, so this is not significantly lower than the other age groups).

The results also show that people living in cities with more than 200,000 inhabitants (32%) and in smaller and medium-sized towns (24% each) declare their willingness to buy online more often. People living in rural areas are less likely to use such solutions (20%). Furthermore, men (53%) are more likely to buy online than women (47%).

The factors that would encourage Poles to more frequent online shopping are: lower delivery costs (56% of responses), lower prices than in traditional shops (53%), and the possibility to take advantage of discount codes or discounts. On the other hand, the biggest problems encountered by Internet users include: long waiting time for the product to be delivered (34%), high delivery costs (26%) and intrusive display advertisements (26%).

Delivery to a parcel locker proved to be the favourite delivery method (77%), a change from 2020 when courier delivery was the most popular. This form of delivery was preferred by 74% of users.

The most frequently chosen form of payment in 2021, reaching 48%, was payment by PayU, 36% of buyers paid by Przelewy24. The report shows that 78% of respondents say they buy online using a laptop, 76% a smartphone, 51% prefer to use a desktop computer for this purpose and 24% reach for a tablet.

The first place among the most frequently bought online product categories is clothing with add-ons and accessories (73%).

In the case of food products, building materials and furniture, the predominant consumer behaviour is browsing information about the product online and then purchasing it in a brick and mortar shop (the so-called ROPO effect). The opposite trend applies to products such as cosmetics, perfumes,

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<sup>13</sup> E-commerce statistics for individuals, [[https://ec.europa.eu/eurostat/statistics-explained/index.php?title=E-commerce\\_statistics\\_for\\_individuals#General\\_overview](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=E-commerce_statistics_for_individuals#General_overview)], January 2022

<sup>14</sup> Bluemedia, [<https://bluemedia.pl/baza-wiedzy/blog/ecommerce/podsumowanie-rynku-ecommerce-2021-w-polsce>]

<sup>15</sup> Polski e-commerce 2021" report by Przelewy 24, [<https://www.przelewy24.pl/aktualnosci/raport-e-commerce-w-polsce-2021>], February 2022

<sup>16</sup> Gemius, [<https://www.gemius.pl/wszystkie-artykuly-aktualnosci/raport-e-commerce-w-polsce-2021.html>]

telephones, clothing, footwear and household appliances, where consumers prefer to see the product physically and then buy it online.

31% of respondents in the Polish e-commerce 2021 ("Polski e-commerce 2021") survey had bought car and motorbike accessories in the previous 28 days, and 47% sports and leisure equipment.<sup>17</sup>

## 1.8. LEGAL CHANGES

As of 1 January 2021, amendments to the provisions of the Civil Code and act on consumer rights came into force - according to which certain regulations aimed at protecting consumers also apply to some entrepreneurs. The act recognises natural persons concluding contracts directly related to their business activity as such privileged companies, when it is evident from the content of such contracts that they do not have a professional character resulting in particular from the subject of their business activity (indicated by the Central Register and Information on Economic Activity). With regard to the aforementioned entrepreneurs, hereinafter referred to as "privileged contractors":

- prohibited contractual provisions (so-called abusive clauses) shall not apply,
- extended rights shall be granted pursuant to the warranty for defects,
- there is also the right to withdraw from a distance or off-premises contract within 14 days of receiving the goods or concluding the contract,
- entrepreneurs operating in the e-commerce sector are obliged to comply with a number of information obligations, defined in particular by the agreement on consumer rights - under pain of negative legal consequences.

From 1 January 2021, the rules set out in the EU-UK Trade and Cooperation Agreement began to apply. The said agreement, whose ratification by the European Parliament was completed on 29 April, entered into force on 1 May 2021. Significant changes have been made, among other things, to the rules governing the carriage of goods into the UK, notably by:

- restoring the obligation to make customs declarations;
- reintroduction of border controls;
- changing the VAT and excise duties on imported/exported goods;
- the introduction of additional formalities, notably requiring carriers to obtain the appropriate licences, permits, certificates, etc.

As a consequence, despite taking appropriate remedial action, in particular by opening its own warehouse in the UK and increasing shipments directly from local wholesalers/partners, these regulations have reduced the Group's sales in the UK.

From 1 July 2021, the new VAT rules for e-commerce, provided for in the EU's VAT e-commerce package - which aimed to tighten the VAT system, provide EU businesses with the opportunity to compete with non-EU operators and harmonise the taxation of intra-EU consumer transactions (B2C) - came into force. Important changes in this regard include:

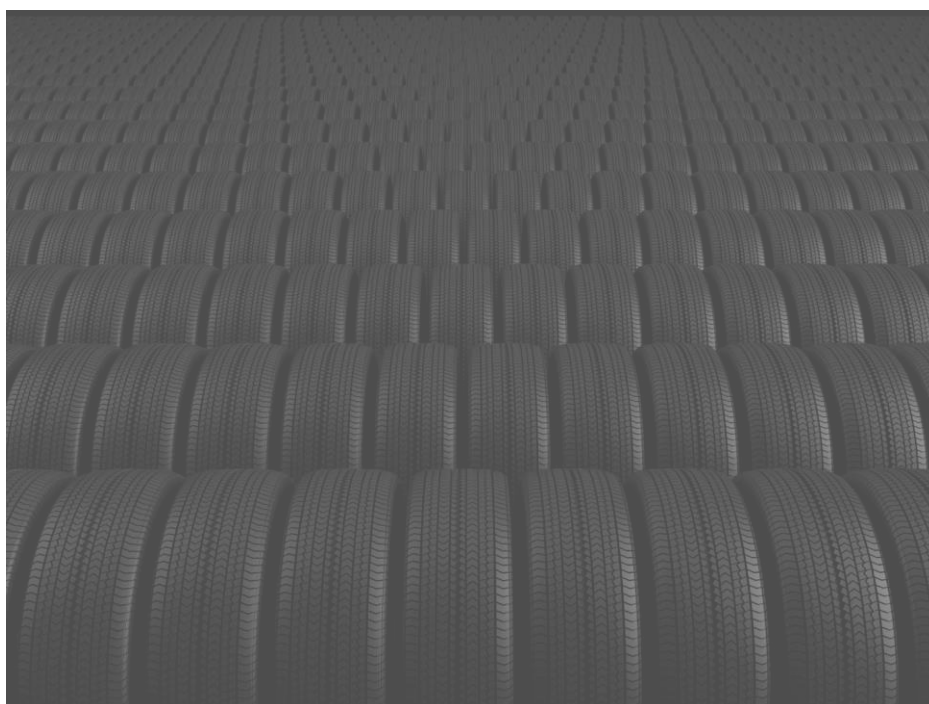
- elimination of the VAT exemption on imports of so-called small consignments from outside the EU;
- the introduction of the Import One Stop Shop (IOSS) procedure - which aims to simplify VAT obligations for taxable persons making distance sales of imported goods. The IOSS procedure generally applies to consignments whose intrinsic value does not exceed EUR 150;

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<sup>17</sup> "Polski e-commerce 2021" report by Przelewy 24, [<https://www.przelewy24.pl/aktualnosci/raport-e-commerce-w-polsce-2021>], February 2022

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- Introduction of the principle that VAT on goods eligible for the IOSS procedure, for which however IOSS has not been applied, is charged to the consumer by the person making the customs declaration (e.g. the courier company).

## 2.COMMENTARY TO THE FINANCIAL RESULTS OF THE OPONEO.PL GROUP IN 2021



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

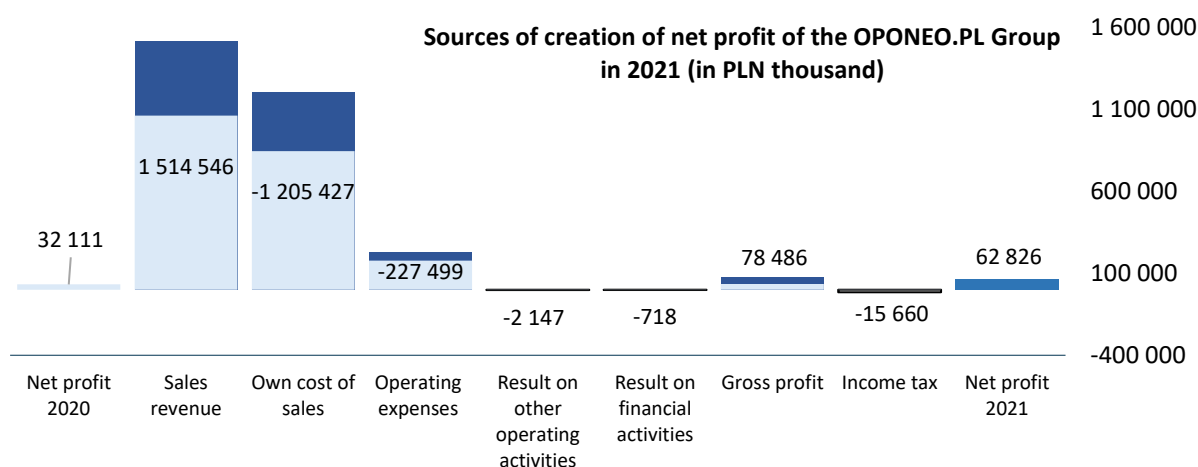
### 2.1. MAIN FACTORS AFFECTING FINANCIAL RESULTS

#### 2.1.1. OPONEO.PL Group

In 2021, the OPONEO.PL Group generated gross profit of PLN 78,486 thousand (a 125.6% increase in comparison to the gross profit for 2020), net profit was 95.7% higher than in the previous year and reached PLN 62,826 thousand.

The main factors shaping the OPONEO.PL Group's financial result in 2021 were:

- **Dynamic growth in sales revenue.**  
In 2021, it amounted to PLN 1,514,546 thousand, i.e. an increase of 42.4% compared to 2020. At the same time, domestic sales revenues amounted to PLN 1,227,084 thousand and increased by 43.1% compared to 2020, while inflows from overseas sales amounted to 287,462 thousand, i.e. a year-on-year increase of 39.6%.
- **An increase in operating expenses of 28.3% (i.e. costs of sales and administrative expenses) to PLN 227,499 thousand.**  
The increase in the number of contracts executed impacted the costs of external services (including mainly transport, freight and storage services) and staff costs.
- **Negative result on other operating activities.**  
It reached PLN -2,147 thousand in 2021, compared to PLN -3,090 thousand in 2020. The amount of the result on other operating activities was significantly affected by the absence of negative development costs (which occurred in 2020) and by operations related to the company's ordinary operating activities, especially in the freight traffic segment.
- **Result on financial activities**  
In 2021, the result improved and amounted to - PLN 718 thousand. against PLN -2,076 thousand for the year 2020. The result was mainly influenced by exchange gains.
- **Higher income tax burden.**  
The income tax for 2021 was 484% higher than the tax for 2020 and amounted to PLN -15,660 thousand. The amount of tax generated is primarily related to the increase in the Company's turnover and income as well as to deferred tax.



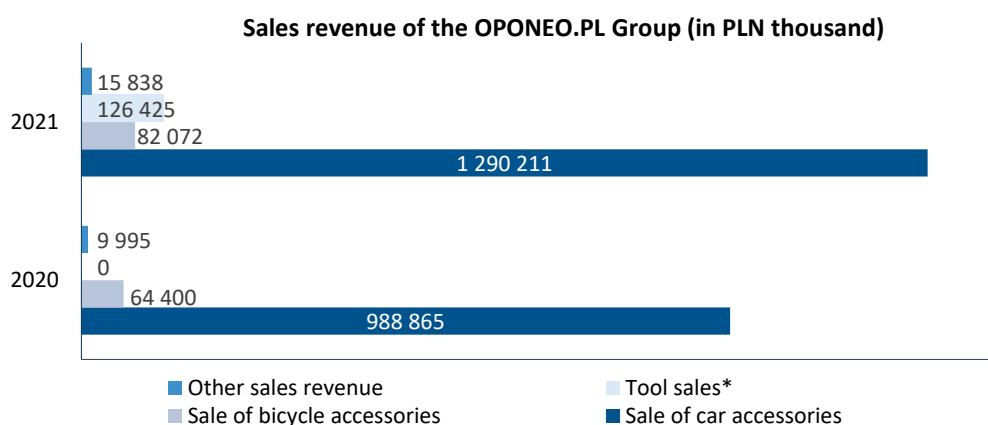
Basic items of the consolidated statement of comprehensive income of the OPONEO.PL group	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020	Change	
			in PLN thousands	in %
Sales revenues	1,514,546	1,063,260	451,286	42.44%
Prime costs of the sale	-1,205,427	-846,037	-359,390	42.48%
Operating expenses (administrative and selling expenses)	-227,499	-177,267	-50,232	28.34%
Result on other operating activities	-2,147	-3,090	943	-30.52%
Result on financial activities	-718	-2,075	1,357	-65.40%
Gross result	78,486	34,791	43,695	125.59%
Income tax	-15,660	-2,680	-12,980	484.33%
<b>Net result</b>	<b>62,826</b>	<b>32,111</b>	<b>30,715</b>	<b>95.65%</b>
<i>Including the tax attributable to the shareholders of the parent entity</i>	<i>60,169</i>	<i>32,111</i>	<i>28,058</i>	<i>87.38%</i>

## Sales revenue

In 2021, the Group's sales revenue amounted to PLN 1,514,546 thousand compared to PLN 1,063,260 thousand in 2020.

Starting with the presentation of sales figures for 2021, a breakdown into new operating segments was introduced. The Group divides its activities into the following operating segments:

- Sale of car accessories (tyres, wheels and car accessories);
- Tool sales (hand tools and power tools);
- Sale of bicycle accessories (bicycles and bicycle accessories);



\*Tool sales are shown from 2021, i.e. from the consolidation of ROTOPINO.PL S.A.

Domestic sales amounted to PLN 1,227,084 thousand, an increase of 43.1% year-on-year. The revenue from foreign operations amounted to PLN 287,462 thousand, which constitutes an increase by 39.6% year-on-year. The share of domestic revenue in total sales revenue of the OPONEO.PL Group reached 81%.



The main component of revenue was revenue from the sale of car accessories (tyres, wheels and car accessories). They amounted to PLN 1,290,211 thousand and represented 85.2% of the total sales revenue of the Group. In 2021, the OPONEO.PL Group sold 4,304.2 thousand tyres, by 14.09% more than in the previous year.

In the tools segment, the Group generated a sales result of PLN 126,425 thousand in 2021, which accounted for 8.35% of total revenues. The sale of ROTOPINO.PL S.A. is consolidated in the Group from 2021.

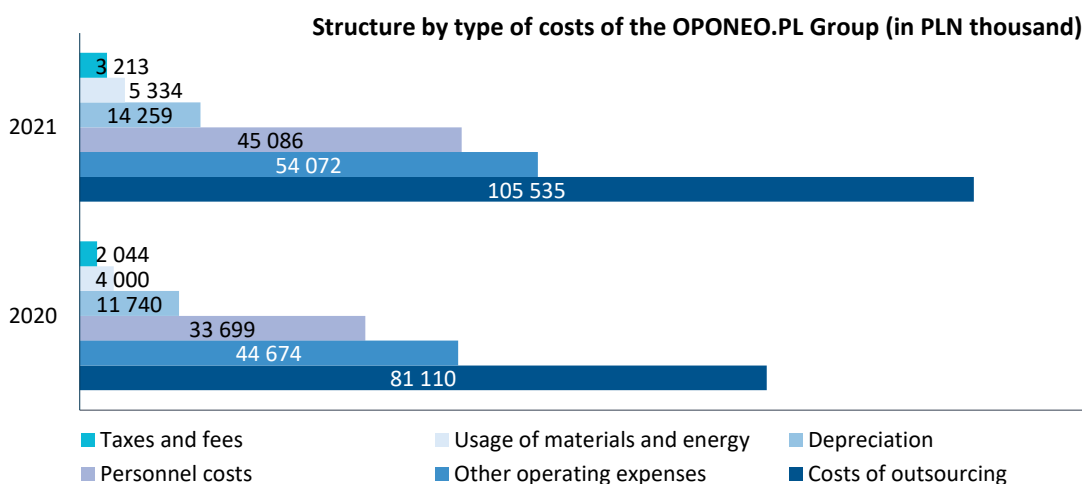
Sales of bicycles and bicycle accessories generated revenue of PLN 82,072 thousand, a 5.42% share in total revenue. Sales in this segment increased 27.44% year-on-year.

### Result on other operating activities

The Group's result on other operating activities in 2021 was PLN -2,147 thousand, compared to PLN -3,090 thousand in the previous year. This result was attributable to, among other things, the absence of negative development costs (which occurred in 2020) and operations related to the company's normal operating activities, particularly in the freight traffic segment.

### Operating costs

The main item of operating costs of the OPONEO.PL Group are the costs of outsourcing. In 2021, they amounted to PLN 105,535 thousand and accounted for 46.39% of total operating expenses and were 30.11% higher than the previous year. Their growth was due to the dynamic development of the Group's business. Personnel costs (salaries and other employee benefits) also played a significant role in the cost structure. In 2021, they closed with the amount of PLN 45,086 thousand and represented 19.82% of the Group's operating expenses. Employee costs increased by 33.79% compared to 2020, while it should be noted that in 2021 employee costs relating to ROTOPINO.PL S.A. appear in the Group's accounts for the first time. In 2021, other operating expenses accounted for 23.77% of operating expenses and amounted to PLN 54,072 thousand, an increase of 21.04% year-on-year.



### Result on financial activities

In financial income, the Group recognises both interest received and interest receivable. The main cost items are: exchange losses, interest rates paid and leasing charges. In 2021, the Group's result on financial activities was PLN -718 thousand, compared to PLN -2,075 thousand in 2020. The direct impact on the determination of this result on financing activities was the positive result on exchange rate differences, the negative result on interest as well as leasing charges.

## Income tax

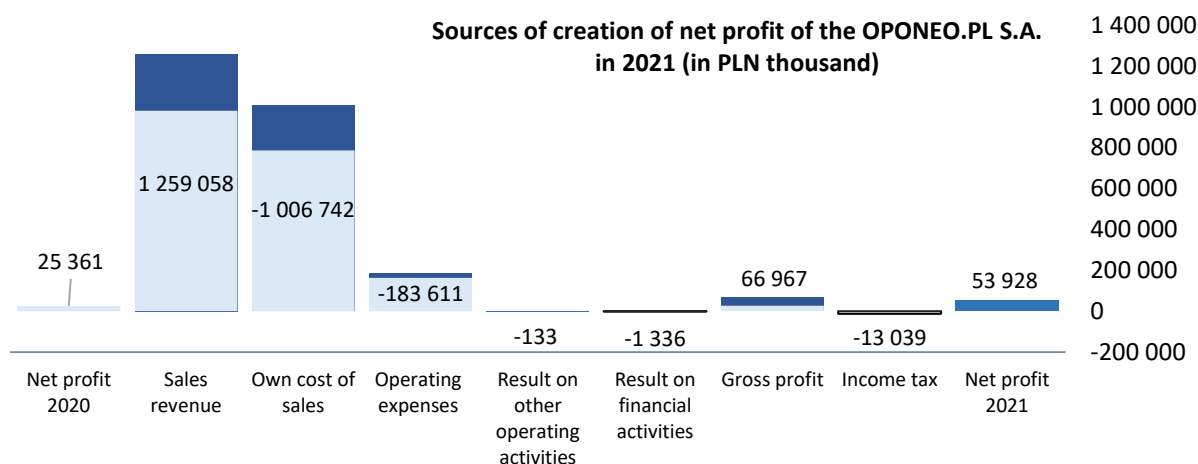
In 2021, the Group recognised PLN -15,660 thousand of income tax in the statement of income compared to PLN -2,680 thousand of tax in 2020. In the profit and loss account for 2021, the Group included PLN 5,393 thousand of deferred taxes and PLN -4,016.6 thousand due to the reversal of previous write-downs. In 2021, current tax burdens amounted to PLN -14,283.8 thousand compared to -7,211.9 thousand in 2020.

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

In 2021, OPONEO.PL S.A. generated a net profit of PLN 53,928 thousand, compared to a net profit of PLN 25,361 thousand in 2020.

The main factors shaping the Company's financial result in 2021 were:

- **Dynamic growth of sales revenue.**  
In 2021, they amounted to PLN 1,259,059 thousand, i.e. an increase of 28.3% compared to the previous year. At the same time, domestic sales revenue amounted to PLN 1,075,147 thousand and increased by 38.09% compared to 2020. Proceeds from overseas sales closed at EUR 183,912 thousand and decreased by 9.29%, mainly due to the impact of Brexit.
- **An increase in operating expenses by 12.96% to PLN 183,6 thousand.**  
The increase in the cost of external services was influenced by the number of completed orders (transport, forwarding and warehousing costs). Due to an increase in the cost of hiring and retaining staff, staff costs increased. Other operating expenses and depreciation also increased.
- **Much better result on other operating activities.**  
It reached PLN -133 thousand in 2021, compared to PLN -3,794 thousand in 2020.
- **Result on financial activities**  
In 2021, it amounted to PLN -1,336 thousand compared to PLN -2,092 thousand for 2020.
- **Higher income tax burden.**  
Income tax for 2021 totalled PLN -13,039 thousand, compared with PLN -1,394 thousand in 2020.



Basic items of the separate statements of comprehensive income of OPONEO.PL S.A	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020	Change	
			in PLN thousands	in %
Sales revenues	1,259,058	981,323	277,735	28.30%
Prime costs of the sale	-1,006,742	-786,132	-220,610	28.06%
Operating expenses (administrative and selling expenses)	-183,611	-162,550	-21,061	12.96%
Result on other operating activities	-133	-3,794	3,661	-96.49%
Result on financial activities	-1,336	-2,092	756	-36.14%
Gross result	66,967	26,755	40,212	150.30%
Income tax	-13,039	-1,394	-11,645	835.37%
<b>Net result</b>	<b>53,928</b>	<b>25,361</b>	<b>28,567</b>	<b>112.64%</b>

### Sales revenue

The main component of sales revenue was revenue from the sale of tyres. Due to the change in operating segmentation from 2021, the Company does not break down revenue by tyres, wheels and accessories as it did in the previous year. The currently listed goods are recognised and presented together in one segment - sales of car accessories, which closed with sales of PLN 1,240,552 thousand - with an increase of 28.23% compared to 2020.

### Result on other operating activities

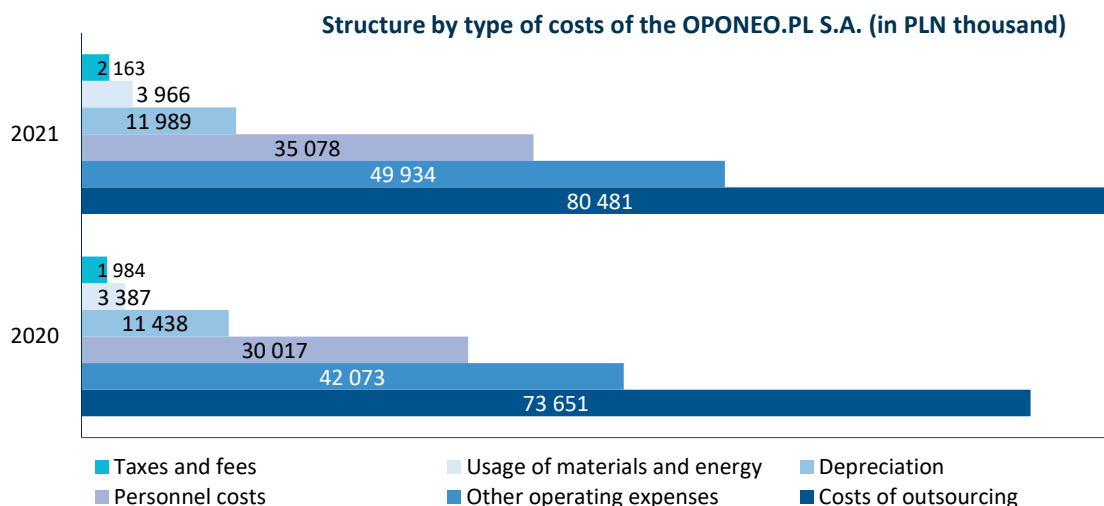
It reached PLN -133 thousand in 2021, compared to PLN -3,794 thousand in 2020. This result was mainly influenced by the sale of an asset, generated internally, and by operations related to the company's ordinary operating activities, especially in the freight traffic segment, as well as by the absence of negative development costs (which occurred in 2020).

### Operating costs

The main item of operating costs of OPONEO.PL S.A are the costs of outsourcing. In 2021 these amounted to PLN 80,481 thousand and constituted 43.83% of the total operating costs. They were 9.27% higher than in the previous year. Their growth was due to the development of the Company's business.

Personnel costs (salaries and other employee benefits) also played a significant role in the cost structure. In 2021, they closed with the amount of PLN 35,078 thousand and represented 19.10% of the Company's operating expenses. Staff costs increased by 16.86% compared to the previous year, which was due to the optimisation of salary costs and the payment of a one-off staff bonus.

In 2021, other operating costs, accounting for 27.20% of general operating costs, amounted to PLN 49,934 thousand, which means a year-on-year increase of 18.68%. Other operating costs include primarily advertising and fees and commissions, including those related to banking services and electronic payments.



### Result on financial activities

In 2021, it amounted to PLN -1,336 thousand compared to PLN -2,092 thousand for the previous year. The direct impact on the determination of this result on financing activities was the positive result on exchange rate differences, the negative result on interest as well as leasing charges.

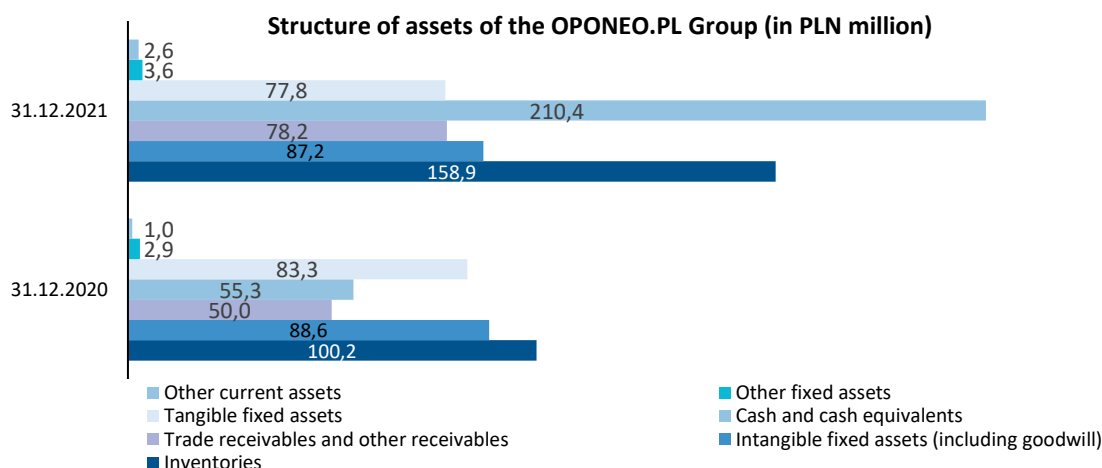
### Income tax

The income tax for 2021 was almost nine times higher than the tax amount for 2020 and reached PLN -13,039 thousand. The amount of tax generated is related to the increase in turnover and revenue of the Company. The determination of the final tax amount was affected by the reversal of deferred tax entries related to the acquisition of Oponeo Brandhouse Sp. z o.o., where a provision had been made in previous years.

## 2.2. FINANCIAL SITUATION

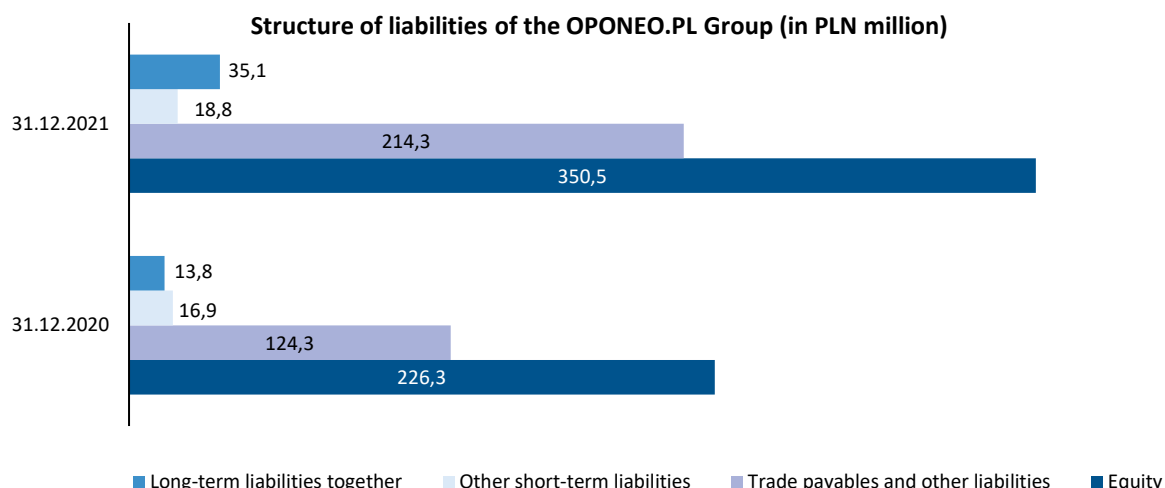
### 2.2.1. OPONEO.PL Group

As at 31 December 2021, the total assets of the OPONEO.PL Group amounted to PLN 618,708 thousand and were 62.26% higher than at the end of 2020. The increase in the value of assets results from the Group's expansion and changes in presentation resulting from the IFRS requirements.



The main assets of the Group are:

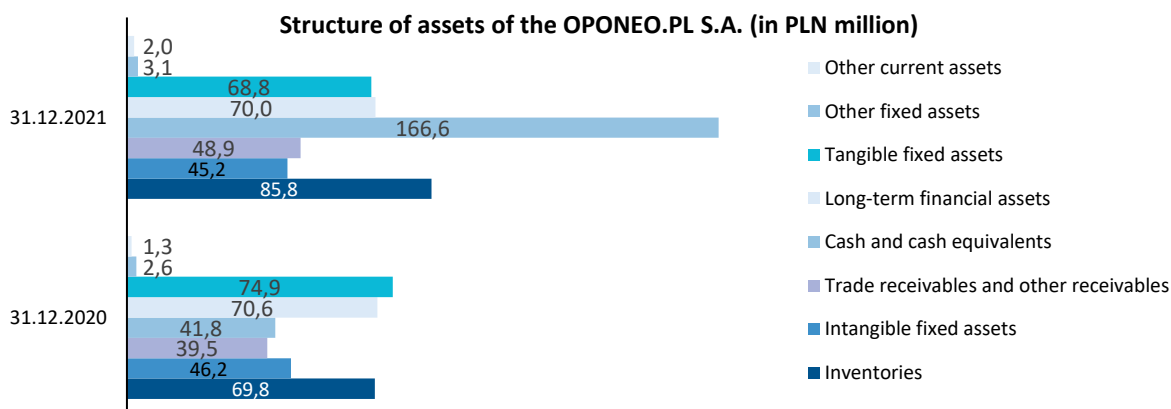
- Cash and cash equivalents - as at 31 December 2021 they amounted to PLN 210,429 thousand, i.e. 34.01% of assets. They were higher by 280.28% as compared to June 2020.
- Inventories were valued at PLN 158 873 thousand (25.68% of assets). During the year, inventories increased by 58.6%. The increase, in addition to the increase in the Group's scale of operations, is due to the full consolidation of ROTOPINO.PL S.A. in the Group's results.
- Tangible fixed assets - of a value of PLN 77,836 thousand (12.58% of assets). Compared to 2020, their value dropped by 6.51%.
- Intangible assets - recognised at the value of PLN 45,429 thousand (7.34% of assets). They were lower by 4.82% as compared to 31 December 2020.
- Trade receivables and other receivables - they amounted to PLN 78,207 thousand, i.e. 12.64% of total assets. They were by 56.51% higher than as at the end of 2020. The increase stems from receiving higher discounts when compared to 2020 and also from prepayments for goods and from settlements with logistics and payment operators falling on the reporting date.



On 31 December 2021, the OPONEO.PL Group financed its activities in 56.65% from its own resources. Equity was PLN 350,496 thousand, compared to PLN 226,332 thousand at the end of 2020 (an increase of 54.86%). A significant share in the Group's total balance sheet also comes from short-term trade payables and other liabilities of PLN 214,330 thousand (34.64% of liabilities). Their amount increased by 72.39% compared to the end of 2020.

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

On 31 December 2021, the total assets of OPONEO.PL S.A amounted to PLN 490,345 thousand and were 41.4% higher than at the end of 2020.



The main elements of the Company assets are:

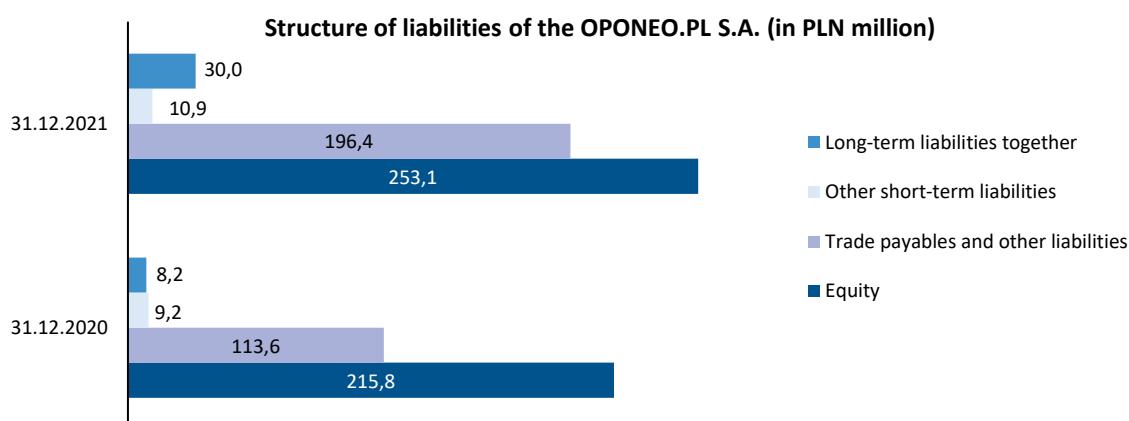
- Inventories worth PLN 85,750 thousand (17.5% of assets) - they decreased by 22.8% year-on-year. The change was driven by slower inventory turnover and increased purchases in the final period of 2021.
- Intangible fixed assets - valued at PLN 45,204 thousand (9.22% of assets). Their value was 2.13% lower than as at 31 December 2020.



- Trade receivables and other receivables - they amounted to PLN 48,903 thousand, i.e. 9.97% of total assets. Their value was 23.8% higher than at the end of 2020. These receivables resulted mainly from cycles of settlements with courier companies and non-cash payment operators as at the reporting date, as well as prepayments for goods and discount adjustments made.
- Cash and cash equivalents - as at 31 December 2021 they amounted to PLN 166,624 thousand, i.e. 33.98% of assets. They were nearly four times higher as compared to the end of 2020.
- Long-term financial assets in the form of shares in subsidiaries and associates amounted to PLN 69,960 thousand, which is 0.88% less than in 2020.
- Tangible fixed assets - of a value of PLN 68,795 (21.8% of assets) were 8.14% lower than at the end of 2020. This is mainly due to the recognition of scheduled annual depreciation.

On 31 December 2021, equity accounted for 51.62% of the Company's liabilities. They amounted to PLN 253,102 thousand against PLN 215,771 thousand at the end of 2020 (increase by 17.3%). At the General Meeting of Shareholders of OPONEO.PL S.A., held on 30 June 2021, the shareholders decided to transfer PLN 11,425.3 thousand of profit for the year 2020 to the Company's supplementary capital.

A significant share in the total balance sheet of OPONEO.PL S.A also comes from short-term trade payables and other liabilities of PLN 196,353 thousand (40.04% of liabilities). Their amount increased by 72.86% compared to the end of 2020. The main factor influencing this was the more than two-fold increase in trade payables compared to 2020. The value of trade liabilities at the end of 2021 reached PLN 145,143 thousand.



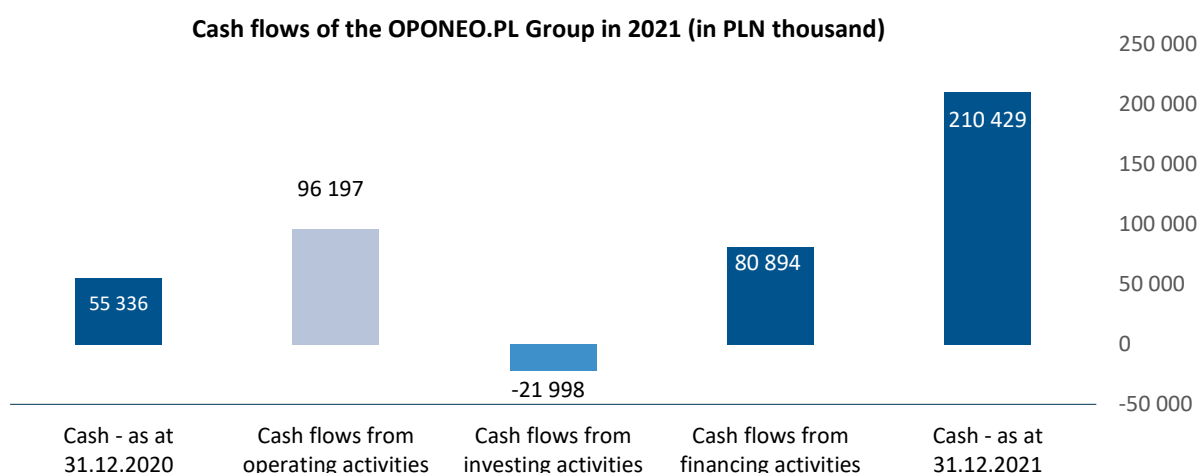
## 2.3. CASH FLOWS

### 2.3.1. OPONEO.PL Group

In 2021, the OPONEO.PL Group recorded cash flows at the level of PLN 155,093 thousand, compared to PLN -23,993 thousand in 2020. They consisted of:

- Positive cash flows from operating activities of PLN 96,197 thousand.  
The positive impact on flows was mainly due to: profit generation (PLN 62 826 thousand), change in the level of liabilities (PLN 90 397 thousand), change in provisions (PLN 2 310 thousand) and depreciation (PLN 14 259 thousand). On the other hand, the change in the balance of inventories (PLN -60,215 thousand), the change in the balance of receivables (PLN -13,941 thousand) and the tax paid (PLN -13,571 thousand) had a negative impact on the flows from operating activities. Last year, cash flows from operating activities amounted to PLN 21,331 thousand.
- Negative cash flows from investing activities amounting to PLN -21,998 thousand.  
This resulted mainly from: purchase of intangible fixed assets as well as tangible fixed assets (PLN -32,836 thousand) and the acquisition of financial assets (-1,006 thousand). In the previous year, cash flows from investing activities reached PLN -42,790 thousand.
- Positive cash flows from financing activities of PLN 80 894 thousand.  
The largest item that had a positive impact on cash flow was the net proceeds from the issue of shares of PLN 78,101 thousand. This was due to the stock exchange debut of DADELO S.A. Loans and credits received (PLN 31,500 thousand) also had a positive impact. Cash flows were negatively impacted by the payment of dividends (- PLN 13,936 thousand), repayment of loans (- PLN 8,185 thousand) and payments under lease agreements (- PLN 7,076 thousand). In 2020, flows from financing activities amounted to PLN -2,534 thousand.

As at the end of 2021, the OPONEO.PL Group had PLN 210,429 thousand of cash. Cash amounted to PLN 55,336 thousand in the previous year.



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

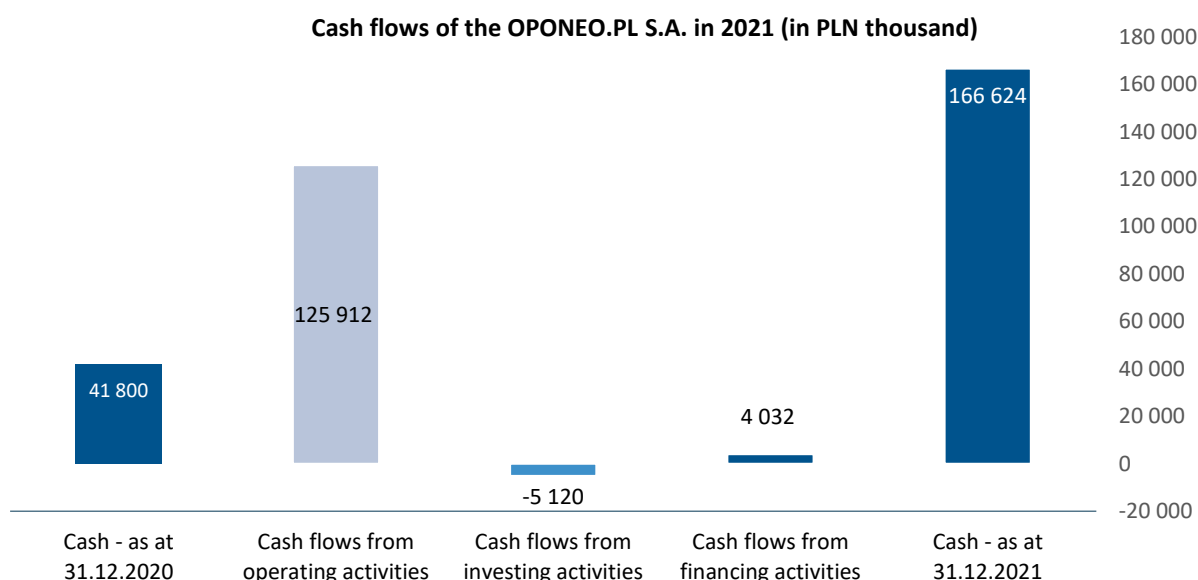
In 2021, OPONEO.PL S.A recorded cash flows at the level of PLN 124,824, compared to PLN -26,491 thousand in the previous year. They consisted of:

- Positive cash flows from operating activities of PLN 125,912 thousand.  
The positive impact on flows was mainly due to: profit generation (PLN 53,928 thousand), change in liabilities (PLN 82,766 thousand) and depreciation (PLN 11,989 thousand).

On the other hand, cash flows were mainly negatively affected by the change in inventories (PLN -15,919 thousand) and change in receivables (PLN -8,569 thousand). A year earlier cash flows from operating activities amounted to PLN 22,357 thousand.

- Negative cash flows from investing activities amounting to PLN -5,120 thousand. The determination of such value of flows was mainly influenced by the acquisition of intangible fixed assets (PLN -1,815 thousand) and the acquisition of property, plant and equipment (PLN - 3,676 thousand). A year earlier flows from investing activities amounted to PLN -41,343 thousand.
- Positive cash flows from financing activities of PLN 4,032 thousand. In 2020, flows from financing activities amounted to PLN -7,505 thousand.

As at the end of 2021, OPONEO.PL S.A. had PLN 166,624 thousand of cash. Cash amounted to PLN 41,800 thousand in the previous year.



## 2.4. CHANGES IN EQUITY

### 2.4.1. OPONEO.PL Group

As at the end of 2021, the equity of the Group amounted to PLN 360,496 thousand, compared to PLN 226,332 thousand in 2020. The greatest influence on the increase in equity was the booked amount of PLN 77,167 thousand, as capital from the sale of shares above the nominal value of shares in DADELO S.A. The net profit of PLN 62,826 thousand had a positive impact, while the dividend paid for 2020 and the repurchase of treasury shares had a negative impact.

Period 01.01.2021-31.12.2021

Statement of changes in equity	Share capital	Share premium account	Treasury shares	Other reserves	Retained earnings	Equity attributable to shareholders of the parent	Equity attributable to non-controlling shareholders	Equity in total
<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	<b>60,169</b>	2,657	62,826
Other comprehensive income	0	0	0	0	0	<b>0</b>	0	0
<b>Total income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60,169</b>	<b>60,169</b>	<b>2,657</b>	<b>62,826</b>
Share issue	0	77,167	0	0	0	77,167	0	77,167
Treasury shares repurchase	0	22,248	-2,364	0	-22,249	-2,366	0	-2,366
Transactions with non-controlling shareholders	0	0	0	2,612	-2,612	0	0	0
Dividend	0	0	0	0	-13,936	-13,936	0	-13,936
Other changes	0	0	0	4,439	-3,966	473	0	473
Creation of the reserve capital	0	0	0	50,000	-50,000	0	0	0
<b>Changes in equity</b>	<b>0</b>	<b>99,415</b>	<b>-2,364</b>	<b>57,051</b>	<b>-32,594</b>	<b>121,507</b>	<b>2,657</b>	<b>124,164</b>
<b>Closing balance of equity</b>	<b>13,936</b>	<b>125,560</b>	<b>-2,364</b>	<b>67,933</b>	<b>142,775</b>	<b>347,839</b>	<b>2,657</b>	<b>350,496</b>

Period 01.01.2020-31.12.2020

Statement of changes in equity	Share capital	Share premium account	Treasury shares	Other reserves	Retained earnings	Equity attributable to shareholders of the parent	Equity attributable to non-controlling shareholders	Equity in total
<b>Opening balance of equity</b>	<b>13,936</b>	<b>26,145</b>	<b>0</b>	<b>10,210</b>	<b>145,118</b>	<b>195,409</b>	<b>0</b>	<b>195,409</b>
Net profit (loss)	0	0	0	0	32,111	32,111	0	32,111
Other comprehensive income	0	0	0	0	0	0	0	0
<b>Total income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,111</b>	<b>32,111</b>	<b>0</b>	<b>32,111</b>
Share issue	0	0	0	0	0	0	0	0
Treasury shares repurchase	0	0	0	0	0	0	0	0
Transactions with non-controlling shareholders	0	0	0	466	-466	0	0	0
Dividend	0	0	0	0	-1,394	-1,394	0	-1,394
Other changes	0	0	0	206	0	206	0	206
Creation of the reserve capital	0	0	0	0	0	0	0	0
<b>Changes in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>672</b>	<b>30,251</b>	<b>30,923</b>	<b>0</b>	<b>30,923</b>
<b>Closing 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>

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

On 31 December 2021, the Company's equity amounted to PLN 253,102 thousand compared to PLN 215,771 thousand at the end of 2020. In addition to the financial result achieved in 2021, the change in equity was influenced by the payment of the dividend for 2020 and the repurchase of treasury shares.

#### Period 01.01.2021-31.12.2021

Statement of changes in equity	Share capital	Share premium account	Treasury shares	Other reserves	Retained earnings	Equity attributable to non-controlling shareholders	Equity in total
<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	<b>53,928</b>	0	53,928
Other comprehensive income	0	0	0	0	0	0	0
<b>Total income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,928</b>	<b>0</b>	<b>53,928</b>
Share issue	0	0	0	0	0	0	0
Treasury shares repurchase	0	11,340	-2,365	0	-11,340	0	-2,365
Transactions with non-controlling shareholders	0	0	0	0	0	0	0
Dividend	0	0	0	0	-13,936	0	-13,936
Creation of the reserve capital	0	0	0	50,000	-50,000	0	0
Other changes	0	0	0	0	-297	0	-297
<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>

#### Period 01.01.2020-31.12.2020

Statement of changes in equity	Share capital	Share premium account	Treasury shares	Other reserves	Retained earnings	Equity attributable to non-controlling shareholders	Equity in total
<b>Opening balance of equity</b>	<b>13,936</b>	<b>26,145</b>	<b>0</b>	<b>0</b>	<b>151,722</b>	<b>0</b>	<b>191,803</b>
Net profit (loss)	0	0	0	0	25,361	0	25,361
Other comprehensive income	0	0	0	0	0	0	0
<b>Total income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,361</b>	<b>0</b>	<b>25,361</b>
Share issue	0	0	0	0	0	0	0
Treasury shares repurchase	0	0	0	0	0	0	0
Transactions with non-controlling shareholders	0	0	0	0	0	0	0
Dividend	0	0	0	0	-1,394	0	-1,394

Changes in equity	0	0	0	0	23,967	0	23,967
Closing balance of equity	13,936	26,145	0	0	175,690	0	215,771

## 2.5. FINANCIAL RATIOS

### 2.5.1. OPONEO.PL Group

The OPONEO.PL Group presents selected financial ratios because, in its opinion - together with the data presented in the financial statements - they are a source of valuable information on the financial and operational situation, as well as facilitate the analysis and evaluation of the financial results achieved by the Group over the course of 2021 and 2020.

The financial indicators of the Group have been presented in accordance with the guidelines of the European Securities and Markets Authority (ESMA) regarding Alternative Performance Measurements (APM) in order to harmonise the method of calculating the indicators of listed companies on the WSE market.

The selected ratios presented by the Group (profitability, liquidity, debt and asset turnover ratios) are 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 standing, 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 from the Group's published financial statements.

In 2020, the Group improved virtually all profitability indicators. The EBIT margin was 5.25% compared to 3.47% in 2020, while the EBITDA margin, which amounted to 6.19%, increased by 1.62 p.p. compared to 2020. In 2021 the net profit margin amounted to 4.15% compared to 3.02% in 2020. The gross margin on sales was maintained at virtually the same high level with a difference of only 0.02 p.p. Return on assets and capital was respectively 10.15% and 17.92% in 2021. The increase in the above profitability ratios results from the increase in the scale of operations.

Profitability ratios %	2021	2020
<b>EBIT Margin in %</b> (EBIT / Sales revenue) x 100%	5.25%	3.47%
<b>EBITDA Margin in %</b> (EBITDA / Sales revenue) x 100%	6.19%	4.57%
<b>Gross margin on sales in %</b> (Gross profit from sales / Sales revenue) x 100%	20.41%	20.43%
<b>Net profit margin (loss) in %</b> (Net profit / Sales revenue) x 100%	4.15%	3.02%
<b>Return on Assets - ROA</b> (Net Profit / Assets) x 100%	10.15%	8.42%
<b>Return on Equity - ROE</b> (Net Profit / Equity) x 100%	17.92%	14.19%

As with the profitability ratios, the Group improved all liquidity ratios compared to 2020. The current liquidity ratio was 1.93, an increase of 0.47 compared to the previous year. The accelerated liquidity ratio reached a satisfactory value of 1.25, an increase of 0.50 compared to 2020. Thanks to the high cash value generated by the Group, the cash ratio increased to 0.9. The achieved safe levels of



liquidity ratios illustrate the Group's ability to promptly and timely settle its liabilities, which clearly increases the credibility of OPONEO.PL Group on the market.

At the end of 2021, the general debt ratio increased by 2.71 p.p., reaching 43.35%. The significant increase in trade payables was the main contributor to the increase in the debt ratio. On the other hand, the equity to fixed assets ratio recorded a decrease of 29.13 p.p. and amounted to 48.10%. On the one hand, this change was due to a 54.86% increase in equity compared to the previous year and, on the other hand, a 3.55% decrease in non-current assets compared to the previous period.

Liquidity and debt ratios	31.12.2021	31.12.2020
<b>Current liquidity ratio</b> (Current assets / Short-term liabilities)	1.93	1.46
<b>Quick Liquidity Ratio</b> (Current assets - inventories - accrued expenses) / Short-term liabilities	1.25	0.75
<b>Cash liquidity ratio</b> (Cash and cash equivalents / short-term liabilities)	0.90	0.39
<b>Total debt ratio in %</b> (Total liabilities / Total assets) x 100%	43.35%	40.64%
<b>Equity-to-fixed-assets ratio</b> (fixed assets / equity) x 100%	48.10%	77.23%

In 2021, the Group's inventory and accounts receivable turnover ratios increased by 4.82 days and 1.67 days respectively. The increase in the inventory ratio was directly influenced by the 58.6% increase in the Group's inventory, which was attributable to the full consolidation with ROTOPINO.PL S.A. The receivables ratio is at a good level with a 42.44% year-on-year increase in sales revenue. The Group's current liabilities cycle increased by 7.6 days to reach 55.42. The cash cycle at the end of 2021 took a value of 10.62 days decreasing by 1.11 days compared to the status at the end of 2020. The turnover ratios recorded at the end of 2021 demonstrate the Group's strong and established position in the market. Negotiated payment terms allow you to finance longer with suppliers. This is a favourable situation that allows the Group to grow without threatening its liquidity.

Asset turnover ratios	2021	2020
<b>Inventory cycle in days</b> (Inventories*360 / Prime costs of the sale)	47.45	42.63
<b>Receivables cycle in days</b> (Trade and other receivables*360 / Sales revenue)	18.59	16.92
<b>Current liabilities cycle in days</b> (Short-term liabilities*360 / Sales revenue)	55.42	47.81
<b>Cash cycle in days</b> (inventories cycle + receivables cycle - current liabilities cycle)	10.62	11.73

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

The Company presents selected financial ratios because, in its opinion - together with the data presented in the financial statements - they are a source of valuable information on the financial and operational situation, as well as facilitate the analysis and evaluation of the financial results achieved by the Company over the course of 2021 and 2020.

The financial indicators of the Company have been presented in accordance with the guidelines of the European Securities and Markets Authority (ESMA) regarding Alternative Performance

Measurements (APM) in order to harmonise the method of calculating the indicators of listed companies on the WSE market.

The selected ratios presented by the Company (profitability, liquidity, debt and asset turnover ratios) are 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's business and to provide investors with additional useful information on the Company's financial standing, cash flows and financial efficiency. In the Company'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 Company should only be analysed as additional information to support the financial assessment and considered together with all data and information from the Company's published financial statements.

In 2021, the Company improved all profitability indicators. Gross margin on sales stood at 20.04% and increased by 0.15 p.p. year-on-year. The EBIT margin was 5.38% compared to 2.94% in 2020, while the EBITDA margin, which amounted to 6.33%, increased by 2.22 p.p. compared to 2020. In 2021 the net profit margin amounted to 4.28% compared to 2.58% in 2020. Return on assets and return on equity increased substantially during the period under review. ROA increased by 3.69 p.p. to reach 11.00%, while ROE improved by 9.56 p.p. and reached 21.31% at the end of 2021. The improvement in profitability ratios was made possible by the Company more than doubling its net profit compared to 2020.

Profitability ratios %	2021	2020
<b>EBIT Margin in %</b> (EBIT / Sales revenue) x 100%	5.38%	2.94%
<b>EBITDA Margin in %</b> (EBITDA / Sales revenue) x 100%	6.33%	4.11%
<b>Gross margin on sales in %</b> (Gross profit from sales / Sales revenue) x 100%	20.04%	19.89%
<b>Net profit margin (loss) in %</b> (Net profit / Sales revenue) x 100%	4.28%	2.58%
<b>Return on Assets - ROA</b> (Net Profit / Assets) x 100%	11.00%	7.31%
<b>Return on Equity - ROE</b> (Net Profit / Equity) x 100%	21.31%	11.75%

As with the profitability ratios, the Company improved all liquidity ratios compared to 2020. The current liquidity ratio was 1.46, an increase of 0.22 compared to the previous year. The accelerated liquidity ratio reached a satisfactory value of 1.05, an increase of 0.38 compared to 2020. The achieved safe levels of liquidity ratios illustrate the Company's ability to promptly and timely settle its liabilities, which clearly increases the Company's credibility on the market.

At the end of 2021, the general debt ratio increased by 10.61 p.p., reaching 48.38%. The increase in trade payables was the main contributor to the increase in the debt ratio. On the other hand, the equity to fixed assets ratio recorded a decrease of 16.12 p.p. and amounted to 73.92%. On the one hand, this change was due to a 17.3% increase in equity compared to the previous year and, on the other hand, a 3.7% decrease in non-current assets compared to the previous period.

Liquidity and debt ratios	31.12.2021	31.12.2020
<b>Current liquidity ratio</b> (Current assets / Short-term liabilities)	1.46	1.24
<b>Quick Liquidity Ratio</b> (Current assets - inventories - accrued expenses) / Short-term liabilities	1.05	0.67
<b>Cash liquidity ratio</b> (Cash and cash equivalents / short-term liabilities)	0.80	0.34
<b>Total debt ratio in %</b> (Total liabilities / Total assets) x 100%	48.38%	37.77%
<b>Equity-to-fixed-assets ratio</b> (fixed assets / equity) x 100%	73.92%	90.04%

In 2021, inventory and accounts receivable turnover ratios decreased slightly by 1.32 days and 0.51 days respectively. Looking at the inventory turnover ratio, it can be concluded that the Company's inventory restocking period has shortened, which is a favourable and desirable trend, all the more so given that inventories increased by 22.8% at the end of the year. The receivables ratio is at a good level with a 28.3% year-on-year increase in sales revenue. The Company's current liabilities cycle increased by 14.22 days to reach 59.26. The changes described are evidence of an improvement in the Company's payment structure, as receivables are flowing faster and can be used to repay trade payables. At the same time, adequate terms of payment of liabilities, negotiated with suppliers, make it possible to settle them on a timely basis and do not pose a threat to the Company's liquidity. The cash cycle at the end of 2021 took a negative value of -14.61 days. This value indicates a longer payables cycle than the sum of the inventory and receivables cycle. This is an advantageous situation for the Company, which, given its established position in the market, has access to longer-term financing from suppliers.

Asset turnover ratios	2021	2020
<b>Inventory cycle in days</b> (Inventories*360 / Prime costs of the sale)	30.66	31.98
<b>Receivables cycle in days</b> (Trade and other receivables*360 / Sales revenue)	13.98	14.49
<b>Current liabilities cycle in days</b> (Short-term liabilities*360 / Sales revenue)	59.26	45.04
<b>Cash cycle in days</b> (inventories cycle + receivables cycle - current liabilities cycle)	-14.61	1.43

## 2.6. OTHER FINANCIAL INFORMATION

### 2.6.1. Loans and borrowings

OPONEO.PL S.A. has the possibility to use the multipurpose credit line taken from the BNP Paribas S.A. Bank. The limit resulting from this line amounts to PLN 120,000 thousand. The credit term was determined by 23 August 2028. The interest rate on the credit is the WIBOR base rate for one-month deposits plus a margin of 0.8 p.p.

As of 31 December 2021, the Company did not use the multipurpose credit line. As at the end of the previous settling period, that is at 31 December 2020, the credit line also had been unused.

The credit line is secured by the following:

- blank promissory note,
- capped mortgage up to PLN 50,000,000,
- assignment of claims from the property insurance contract,
- assignment of claims from the inventory insurance contract,
- borrower's declaration of submission to Bank's debt enforcement,
- registered pledge on stock,
- transfer of existing and future receivables for all commercial receivables which are payable to the Borrower from all its debtors.

At mBank S.A., OPONEO.PL S.A. has the possibility to use a line for financing current activities, granted on the basis of an agreement dated 28 October 2020. The limit resulting from this line is PLN 19,000 thousand. The period of use of the Line is set until 30 June 2022. The interest rate on the credit is the WIBOR base rate for one-month deposits plus a margin of 1.0 p.p.

As at 31 December 2021, the Company had not used any part of the credit.

The obligation under the line for financing current operations is secured by:

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

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

ROTOPINO.PL S.A., on the basis of an agreement dated 16 April 2021, uses a credit line in PKO Bank Polska up to the amount of PLN 3,000 thousand. The credit term was determined by 16 April 2022. The credit line is secured by a blank promissory note. On 01 July 2021, ROTOPINO.PL S.A. signed a credit line agreement with BNP Paribas Bank Polska up to the limit of PLN 5,000 thousand for the period of 120 months, i.e. until 30 June 2031. The obligation under the line of credit to finance the company's current operations is secured by a blank promissory note. As at 31 December 2021, the value of credit lines used by the company amounted to PLN 5,908 thousand.

Until 30 September 2032, OPONEO.PL S.A. guarantees an agreement on a multi-purpose credit line granted to its subsidiary Dadelo S.A. by BNP Paribas Bank Polska Spółka Akcyjna for the amount of PLN 32,000 thousand. The guarantee was granted up to PLN 48,000 thousand. Dadelo S.A. did not use the credit line as at the balance sheet date.

In 2021, the Company granted a short-term loan to an employee in the amount of PLN 1,500 thousand with a repayment date of 30 November 2022. A loan of PLN 600 thousand was also granted to FAASSH S.A. with a repayment term of 2024.

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

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

OPONEO.PL S.A. has concluded contracts for the lease of warehouse space with the following companies:

- AIFM PL III Sp. z o.o. (earlier: PDC Industrial Center 43 Sp. z o.o.),
- AIFM PL I Sp. z o.o. (earlier: ACCOLADE PL IV Sp. z o.o.)

which, in accordance with point 13, oblige it to present to the landlord within 21 days from the day of its signing its unconditional, transferable and payable on first demand bank guarantee expressed in EUR. The guarantee is to be maintained for the entire rental period of the storage facilities.

Due to the conclusion of an agreement with AIFM PL III Sp. z o.o. (earlier: PDC Industrial Center 43 Sp. z o.o.) for the lease of storage space, on 26 January 2022 the bank guarantee issued by BNP Paribas was changed to EUR 321.2 thousand. The guarantee is valid until 14 October 2022.

Due to the conclusion of a further agreement with AIFM PL I Sp. z o.o. for the lease of additional storage space, on 26 January 2022, the bank guarantee was issued by BNP Paribas to EUR 247,3 thousand. The guarantee is valid until 14 October 2022.

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

During the period covered by the report, the Company continued leasing agreements with Millenium Leasing Sp. z o.o. in Warsaw concerning the purchase of forklifts used to handle orders in the warehouses of OPONEO.PL S.A. The leasing period covers the years 2019-2024 for a total amount of PLN 1,824 thousand. The agreements are secured with blank bills of exchange without protest, issued by the Company.

In 2021, there were no significant off-balance sheet items in the OPONEO.PL Group.

## 2.7. PROSPECTS OF THE OPONEO.PL GROUP AND OPONEO.PL S.A.

### 2.7.1. External factors affecting results

#### GDP dynamics and inflation

When observing the global economy, one can see that the successive waves of the COVID-19 pandemic are having less and less impact on the economy. High vaccination rates in some countries, significantly reduce the transmission of the virus and allow more industries to be opened up. The pandemic crisis led to a sharp fall in GDP in all countries in 2020. However, it is noteworthy that the recovery of economic activity is proceeding faster than after the 2008 financial crisis. GDP growth in 2021 in most countries shows that the economy has coped well with the turbulence of the pandemic. The upward impulse has had the effect of rebuilding energy demand, which, with limited supply, has caused global oil stocks to fall and oil prices to rise. This effect is currently being amplified by the armed conflict in Ukraine, which is further pushing up energy prices and depleting oil and gas stocks. At the moment, energy raw material prices are at record high levels, which may effectively slow down GDP growth while fuelling inflation. 2021 saw a significant increase in electricity prices both in Poland and in parts of Western Europe. In Poland, record prices for CO<sub>2</sub> emission allowances have directly contributed to the rise in energy prices. The currently uncertain situation regarding the development of the war in Ukraine and the sanctions imposed on Russia, only heightens fears of further price increases and possible shortages of energy and energy raw materials in the coming months.

The GDP projection for Poland for 2022 and 2023, presented by the NBP in November 2021, did not take into account the current turmoil in the energy commodity market. The NBP projection assumed GDP growth in 2022 at around 3.8-5.9%.<sup>18</sup> Given the deterioration in consumer sentiment towards the end of 2021, the conflict in Ukraine, rising inflation and wage pressures, a downward revision of GDP forecasts was to be expected. On 8 March 2022, the NBP presented a new projection of GDP growth in 2022, according to which the GDP growth rate will be in the range of 3.4-5.3%. The expected increase in wages will strengthen public consumption, which will have a positive impact on GDP growth, but will worsen the inflation situation in Poland. A rise in interest rates will restrict access to consumer credit, which could effectively reduce household consumption.

The inflation projection published by the National Bank of Poland on 08 March 2022 predicts that annual price dynamics in 2022 will be in the range of 9.3-12.2%, compared to 5.1-6.5% in the November 2021 projection. The projection assumes inflation to be within the indicated range, assuming unchanged key interest rates. A sharp rise in the prices of energy raw materials and CO<sub>2</sub> emission allowances, rising agricultural production costs (higher feed, energy, fertiliser prices), tensions in global supply chains will strongly increase the inflation rate in 2022.

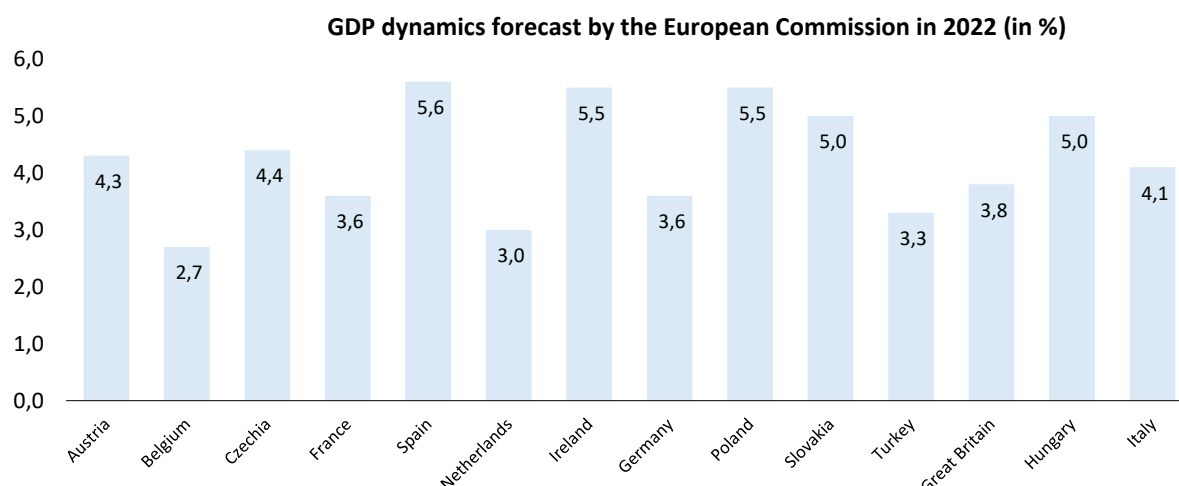
The European Commission predicts that in 2022 the economic growth rate in the European Union will reach 4%.<sup>19</sup> After a fairly strong recovery in 2021, the problems associated with the COVID-19 pandemic were once again evident. The spread of the new Omicron variant led to a renewed strain on health systems and an unprecedented increase in work absenteeism in many EU countries. Governments across the EU reinstated some restrictions, but these were of a milder or more targeted nature than in previous waves. Production continues to be burdened by increased energy prices and shortages of semiconductors and other metal raw materials. Stronger than expected inflationary pressures are affecting household purchasing power. The European Commission's forecast is that the

<sup>18</sup>NBP, Inflation and GDP projections - March 2022

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

<sup>19</sup> European Commission, [[https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/winter-2022-economic-forecast-growth-expected-regain-traction-after-winter-slowdown\\_en](https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/winter-2022-economic-forecast-growth-expected-regain-traction-after-winter-slowdown_en)]

impact of the current wave of infections on the economy will be short-lived, with most supply bottlenecks disappearing within a year.



Currently, the armed conflict in Ukraine is yet another important external factor. At the moment, it is difficult to assess its impact on global production and the prices of basic commodities. Ukraine is one of the world's leading exporters of agricultural products and important raw materials such as titanium, uranium and the technical gases necessary for semiconductor production. A protracted war and the devastation caused by it could have a huge impact on the European and world economies. The current strong weakening of the zloty against the major currencies will certainly increase the prices of imported goods. The continuing upward trend in energy prices and the high prices of freight and other raw materials will reduce the competitiveness of the Polish economy.

From the beginning of 2022, a further weakening of the zloty is recorded, which may be directly reflected in the performance of enterprises and limit the dynamics of economic growth. The situation in the financial markets will significantly influence the results of the OPONEO.PL Group, especially in relation to PLN exchange rates against major currencies.

### Development of e-commerce

With the constraints of the COVID-19 pandemic over the past two years, online shopping has become a regular practice for some consumers. Apart from products that have so far dominated online shopping, i.e. beauty products, books, clothes, shoes, we buy more and more food products, health products, electronics or home equipment.<sup>20</sup> The time of the pandemic has accelerated the transformation of some companies and industries towards e-commerce, while those already operating in this market have experienced solid growth. However, this is not happening on its own, as consumers are increasingly paying attention to the quality of products and service offered in remote channels. Therefore, companies double their efforts to improve online sales. According to the PWC report, nearly 85%<sup>21</sup> of Poles declare that even after the end of the pandemic they do not intend to reduce the frequency of e-shopping, and 10% even intend to increase it. The security and convenience of remote shopping is expected to support double-digit growth in this segment of commerce in the coming years. According to experts from PWC, four aspects will be important for companies that sell or intend to sell their products in the online channel. The first is to synchronise

<sup>20</sup> Websitebuilderexpert, [<https://www.websitebuilderexpert.com/building-online-stores/ecommerce-statistics/>]

<sup>21</sup> PWC, [<https://www.pwc.pl/pl/media/2021-02-09-analiza-pwc-prognoza-rozwoju-rynku-ecommerce-w-polsce.html>]



and ensure consistency between the different sales channels (omnichannel). The second aspect is building a positive customer experience. This is extremely important because, according to research, as many as 42%<sup>22</sup> of Polish consumers are able to abandon a brand after just one bad experience. Another aspect is to work on increasing customer loyalty and activating them by, for example: introducing interesting loyalty programmes and appropriate pricing strategies. A fourth extremely important element of an online sales strategy, is proper logistics and ensuring continuity of supply chains. For most customers, a very important element of the online offer is the time and cost of shipping.

According to publications related to the development of the e-commerce market, current trends will continue in 2022. Social media are playing an increasing role in remote sales. Retailers will certainly start increasing their presence in these media as they are a great place for advertising and sales. Personalising your message can also attract more customers, as analysis shows that 80%<sup>23</sup> of consumers are more likely to buy from a company that offers personalised content and promotions. Implementing content personalisation tools will allow companies to follow the trend and customer expectations. A product image alone is no longer sufficient in modern e-commerce. Interactive and customer-engaging visuals should be generated. Some modern sites already offer voice shopping. Instead of searching for a product in the standard way, you just need to say what you intend to buy and the shop system will present you with the products found. Voice shopping devices also track the status of an order and inform you if it changes.

In recent years, the term "green consumerism" has emerged. This is a social movement that includes customers who choose products with the least negative impact on health and the environment.<sup>24</sup> Shoppers look for "green products" that are manufactured with less pollution to 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' shopping attitudes. Environmentally conscious customers are willing to pay more for environmentally friendly products.

### **Legal changes in 2022**

From 01 January 2022, the tax legislation enacted as part of the Polish Deal ("Polski Ład") came into force. The amendments were published in the Journal of Laws item 2105 and are contained in the Act of 29 October 2021 amending the Personal Income Tax Act, the Corporate Income Tax Act and certain other laws. The new tax arrangements include incentives for entrepreneurs investing in robotisation and modernisation, including through the introduction of the so-called robotisation allowance, allowing for a reduction in the tax burden as a result of the purchase of brand new industrial robots and the software and things necessary to operate these robots, the modernisation in research and development allowance and the innovative employees allowance.

Changes related to the Polish Deal may affect the amount of taxes which OPONEO.PL S.A. is obliged to pay. Moreover, in the scope of PIT, changes may influence the costs of activity - due to changes in financial expectations of contractors who are natural persons.

In accordance with the pending amendment of the Civil Code, as well as the Consumer Rights Act, which aims to implement Directive 2019/2161 of the European Parliament and of the Council of 27 November 2019 (the so-called "Omnibus" Directive) - it is planned that significant changes to the rules of consumer protection in e-commerce will come into force on 28 May 2022. This includes especially the extension of the information obligations of the trader, in particular by:

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<sup>22</sup> PWC, [<https://www.pwc.pl/pl/media/2021-02-09-analiza-pwc-prognoza-rozwoju-rynku-ecommerce-w-polsce.html>]

<sup>23</sup> Etradeshaw, [<https://etradeshaw.pl/trendy-e-commerce-2022/>]

<sup>24</sup> Dealavo, [<https://dealavo.com/en/ecommerce-trends-and-forecasts-to-prepare-for-in-2022/>]

- introducing the principle that when the price of a good or service is reduced, information on the reduced price shall be displayed together with the lowest price of that good or service that existed previously, in principle during the 30 days prior to the reduction;
- requiring traders who provide access to consumer reviews of products to indicate whether and how the trader ensures that the published reviews come from consumers who have used or purchased the product;
- Obligation on operators of online trading platforms to inform about, among other things: (a) the main parameters determining the ranking of the offers presented to the consumer as a result of the search; (b) whether the third party offering goods, services or digital content on the online trading platform is a trader; (c) the division of obligations related to the contract concluded by the consumer on the online trading platform between the third party offering the goods, services or digital content and the provider of the online marketplace.

On 28 May 2022, another amendment to the Civil Code and the Consumer Rights Act, which is currently being processed, is also to enter into force. It will concern the rules of a trader's liability for defects in goods sold to consumers or so-called privileged traders (to whom the provisions on consumers apply accordingly). The amendment implements a number of EU directives.

The amendment to the Accounting Act introduces, as of 01 January 2022, the possibility for the statements to be signed by only one board member. However, it will be necessary to obtain statements from the other members confirming that the statements meet the requirements under the Act. The Act introduces a convenience for units headed by a multi-member authority which, for organisational and technical reasons, have difficulties in carrying out their statutory duties. The application of the new arrangements is voluntary and does not affect entities that have a well-established practice of signing financial statements.

As of 01 January 2022, the rules of document corrections introduced by the amendment of 24 June 2021 of the Polish Social Security System Act and some other acts (Journal of Laws of 2021, item 1621) will change. The amendment changes the time in which it will be possible for payers of contributions to correct documents. From 1 January, payers of social security contributions will have only five years to correct their settlement declarations and personal monthly reports. It will no longer be possible to correct documents after this period.

In January 2022, the provisions of the amended Social Insurance System Act also came into force, allowing the Social Insurance Institution (ZUS) to enforce claims on benefits. ZUS then acts as both a pension authority and an enforcement authority.

From 1 January 2022, amendments to the amended Waste Act came into force. The amendment covers, among other things, changes in keeping records of waste. Carrying out preparation for re-use, recycling or other form of recovery will additionally require information on the end-of-waste status (if this is the case) and on the products and materials resulting from the aforementioned processes.

An amendment to the Act on Trading in Financial Instruments comes into force this year. The amendment is related to the introduction into Polish law of European regulations on capital requirements for investment companies. In Polish conditions, this applies mainly to brokerage houses. The Act amends the catalogue of supervisory measures available to the Polish Financial Supervision Authority, which will be able to set additional own funds or liquidity requirements if necessary.

#### 2.7.2. Planned actions

In 2021, the OPONEO.PL Group plans to:

- 
- strengthen its position as a leader of online tyre and wheel sales in Poland through further development of these assortments;
  - 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 ROTOPINO.PL S.A. subsidiary on the market of online sellers of tools and power tools both in Poland and in the EU;
  - carry out actions for expanding the range of products offered online;
  - improve logistics processes, including the development of automation of goods release.

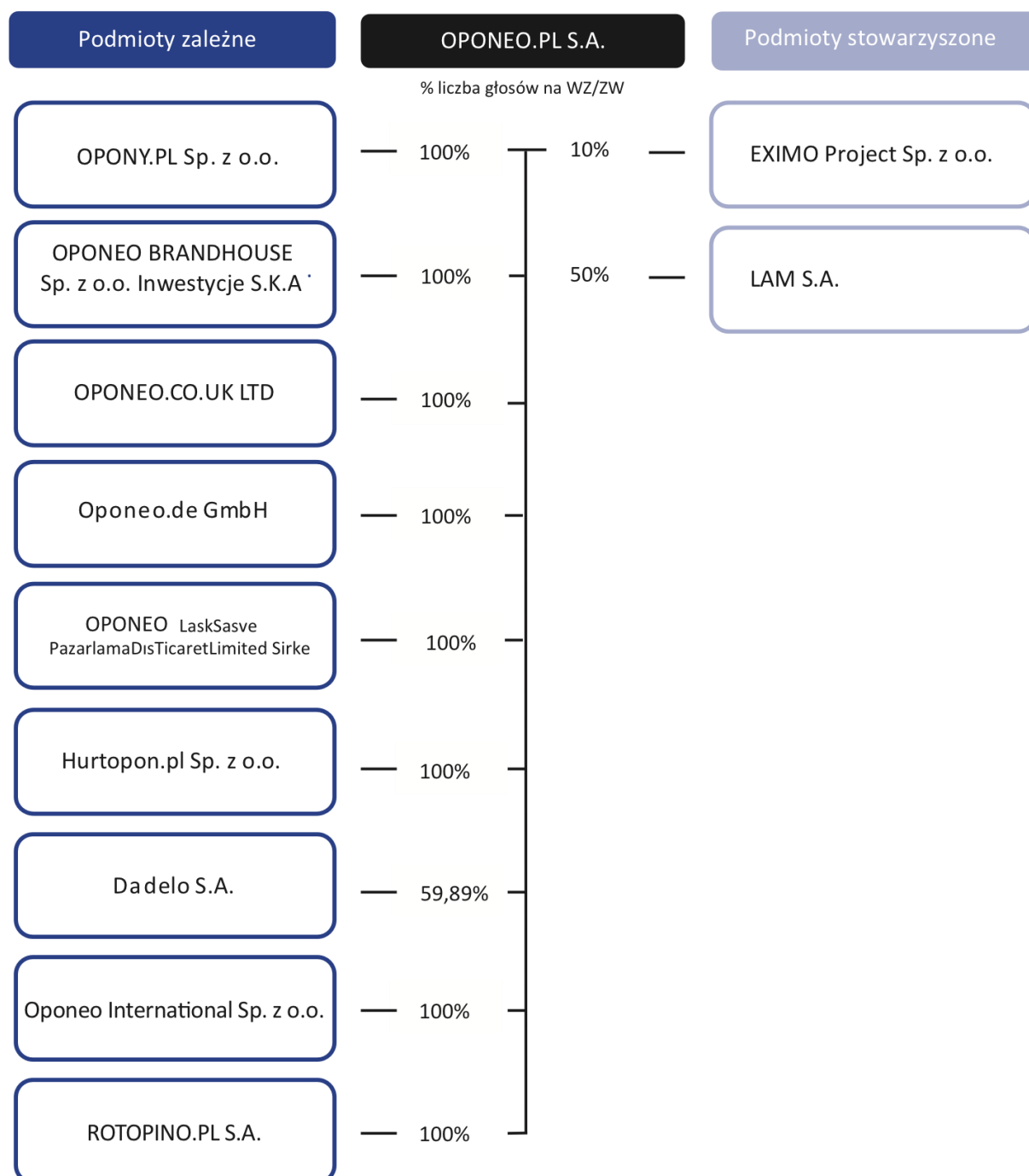
### 3. ACTIVITIES OF THE OPONEO.PL GROUP IN 2021



### 3. ACTIVITIES OF THE OPONEO.PL GROUP IN 2021

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

On 31 December 2021, the composition of the OPONEO.PL Capital Group was as follows:



The OPONEO.PL Group consists of entities operating on the e-commerce market or in the sphere of its infrastructure. OPONEO.PL S.A. – as a parent company – exercises control functions in supervisory bodies of companies and makes key decisions on both the scope of activities and the finances of the entities forming the Group. Capital relations of OPONEO.PL S.A. with the companies strengthen trade ties. The Company's transactions with its subsidiaries are carried out on an arm's length basis.

#### Changes in the OPONEO.PL Group in 2021:

- On February 19, 2021, the dissolution of the subsidiary OPONEO.COM INC. located in Wilmington, Delaware was approved, effective November 30, 2020. The issuer decided to wind up OPONEO.COM INC. in connection with the outbreak of the SARS-Cov-2 coronavirus and the related inability to carry out ongoing support and supervision of the subsidiary in the USA.
- The subsidiary OPONEO Lastik Satış ve Pazarlama Dış Ticaret Limited Şirketi with its registered office in Istanbul, Turkey is in the process of liquidation.
- In January 2021, the OPONEO.PL Group expanded with a new entity, LAM S.A., in which the Group acquired a 50% stake.

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

On 31 January 2022, OPONEO.PL S.A. concluded with ESOTIQ & HENDERSON S.A., PATRONADO LIMITED, Sławomir Rybka and VOSEDO S.A. a conditional investment agreement on the Company's investment in VOSEDO, through the acquisition by the Company of new shares in the share capital of VOSEDO, of which the Company informed in its current report No. 8/2022.

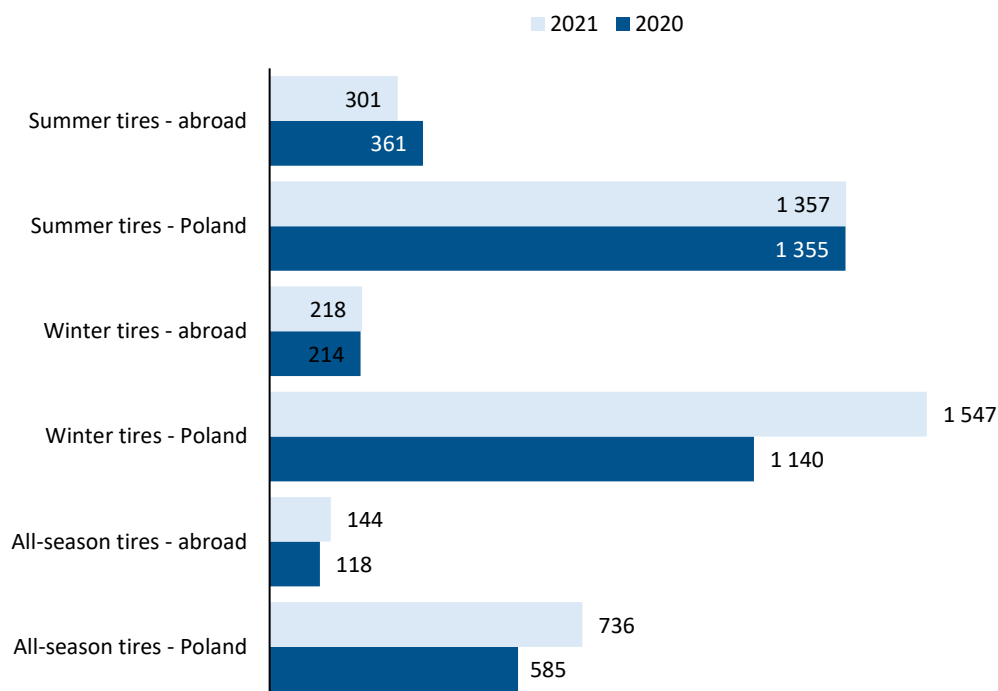
### 3.2. OPONEO.PL GROUP'S SALES STRUCTURE

In 2021, the OPONEO.PL Group sold 4,304.2 thousand tyres, by 14.09% more than in the previous year. Most sales took place in Poland – here the Group sold 3,640.3 thousand tyres, that is 84.58% of the entire volume. In turn, 663,9 tyres were sold abroad, which accounted for 15,42% of the tyre sales structure.

Number of tyres sold by the OPONEO.PL Group	2020			2021			Change y/y – total
	Domestic	Foreign	In total	Domestic	Foreign	In total	
Car tyres	3,060,051	664,745	3,724,796	3,618,404	646,773	4,265,177	14.51%
Motorcycle tyres	19,825	28,010	47,835	21,843	17,133	38,976	-18.52%
Truck tyres	164		164	50		50	-69.51%
<b>Total</b>	<b>3,080,040</b>	<b>692,755</b>	<b>3,772,795</b>	<b>3,640,297</b>	<b>663,906</b>	<b>4,304,203</b>	<b>14.09%</b>

Winter tyres had the highest share in sales structure in 2021. In total, 1,765 thousand pcs were sold abroad and in the country. Their sales increased by 30.4% in relation to 2020. In total, the Group sold 1,658 thousand winter tyres. The volume of all-season tyres sold was 880 thousand, up 25.2% compared to 2020.

**Quantity of solds tires by the OPONEO.PL Group (in thousand pcs)**



In 2021, the OPONEO.PL Group sold 201.2 thousand wheels (both aluminium and steel), i.e. 37.82% more than in the previous year. Aluminium wheels showed the highest sales dynamics, with sales of 125.1 thousand pcs, up 48.88% year-on-year. Growth was also recorded in the steel wheel segment, with 76.1 thousand pcs sold, an increase of 22.82% compared to 2020.

Number of wheels sold by the OPONEO.PL Group	2020			2021			Change y/y – total
	Domestic	Foreign	In total	Domestic	Foreign	In total	
Aluminium wheels	69,031	14,993	84,024	103,903	21,192	125,095	48.88%
Steel wheels	41,977	19,969	61,946	55,537	20,545	76,082	22.82%
<b>Total</b>	<b>111,008</b>	<b>34,962</b>	<b>145,970</b>	<b>159,440</b>	<b>41,737</b>	<b>201,177</b>	<b>37.82%</b>



### 3.3. BUSINESS ACTIVITIES OF THE OPONEO.PL GROUP'S COMPANIES

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

##### Core business

The core business of OPONEO.PL LTD is retailing tyres and wheels via the Internet, using proprietary e-commerce and IT solutions. The company offers tyres for passenger cars, light commercial vehicles, off-road vehicles (4x4) and quads, steel and aluminium wheels and also snow chains and other automotive accessories.

As at the date of publication of the annual report, the Company carries out online sales of tyres and wheels in Poland and 9 other countries.

At the end of 2021, the Company owned directly the following websites:

- Oponeo.pl – online shop for tyres and wheels in Poland, offering the supply of tyres to 1,193 tyre fitting stations;
- Felgi.pl – online store specialising in the sale of aluminium wheels; the website also features a unique possibility of virtual fitting of wheels;
- Oponeo.cz – online shop offering tyres in the Czech Republic; it cooperates with 23 tyre fitting stations;
- Oponeo.sk – online store in Slovakia, selling tyres for cars and motorcycles as well as wheels; it cooperates with 17 tyre fitting stations;
- Pneus-oponeo.be – a domain in French, dedicated to sales of tyres and wheels in Belgium; it cooperates with 178 tyre fitting stations;
- Pneus-oponeo.be – a domain in Flemish, dedicated to sales of tyres and wheels in Belgium;
- Oponeo.es – is a website that sells tyres, wheels and chains on the Iberian Peninsula; it cooperates with 1,324 tyre fitting stations;
- Oponeo.fr – online shop for tyres, wheels and chains for French customers; the shop offers the possibility of tyre delivery to 1,086 tyre fitting stations;
- Oponeo.it – online store selling tyres, wheels and chains for Italian customers; it also offers a free of charge delivery to 1,668 tyre fitting stations;
- Oponeo.nl – online store offering car tyres, steel wheels and chains and the possibility of their delivery to 439 tyre fitting stations;
- Oponeo.at – online sales of tyres, steel wheels and chains in Austria and the possibility of their delivery to 59 tyre fitting stations;
- Oponeo.ie – online store offering car and motorcycle tyres as well as steel wheels, which offers free delivery of tyres in Ireland, also offering delivery to 46 tyre fitting stations;
- Oponeo.hu – website selling car and motorcycle tyres as well as aluminium wheels in Hungary.

At the end of 2021, the Company offered free delivery of tyres to fitting stations in Poland. In 2021, 6% of customers used the online shopping service with the possibility to book a tyre change at the chosen station.

##### Sales results

In 2021, OPONEO.PL S.A. sold 4008.2 thousand tyres, i.e. 14.87% more than in the previous year. 3,640.3 thousand of them were sold in Poland, which accounts for 90.82% of the total number of tyres sold. Sales on the Polish market were 18.19% higher compared to the previous year. Through foreign websites the Company sold 367,9 thousand pcs, which is an increase of 10.13% compared to 2020. Most products sold by the Company were car tyres (99.14% of all tyres sold). The number of car tyres sold increased by 15.15% y/y.

Number of tyres sold by OPONEO.PL S.A.	2020			2021			Change y/y – total
	Domestic	Foreign	In total	Domestic	Foreign	In total	
Car tyres	3,060,051	390,908	3,450,959	3,618,404	355,511	3,973,915	15.15%
Motorcycle tyres	19,825	18,540	38,365	21,843	12,422	34,265	-10.69%
Truck tyres	164		164	50		50	-69.51%
<b>Total</b>	<b>3,080,040</b>	<b>409,448</b>	<b>3,489,488</b>	<b>3,640,297</b>	<b>367,933</b>	<b>4,008,230</b>	<b>14.87%</b>

In 2021, the Company sold 192,8 steel and aluminium wheels, representing a 44,25% increase compared to the previous year.

Number of wheels sold by OPONEO.PL S.A.	2020			2021			Change y/y – total
	Domestic	Foreign	In total	Domestic	Foreign	In total	
Aluminium wheels	69,031	9,908	78,939	103,903	16,491	120,394	52.52%
Steel wheels	41,977	12,775	54,752	55,537	16,921	72,458	32.34%
<b>Total</b>	<b>111,008</b>	<b>22,683</b>	<b>133,691</b>	<b>159,440</b>	<b>33,412</b>	<b>192,852</b>	<b>44.25%</b>

### Organisation and infrastructure

The company has a modern logistics centre located in Bydgoszcz, occupying a total of 28,000 m<sup>2</sup> of space. It is able to send more than 40 thousand tyres a day to individual customers. The Company also uses the services of a logistics centres in Siechnice and Wojkowice, owned by 3LP S.A. The first centre, with 10,000 m<sup>2</sup> of storage space is located to the south-east of Wrocław, by the city's eastern ring road which is conveniently connected with the A4 motorway, and in future it will be also joined with the S8 express road. The second one, also with an area of 10,000 m<sup>2</sup>, next to the A4 motorway. Each of them is able to send 15,000 tyres a day.

Internet sales are realized by means of IT solutions developed independently by an extensive IT Department, being an integral part of the Company. In order to increase the level of security of IT systems, the Company made a number of investments in server infrastructure to develop its own backup centre, including the replacement of key servers and the purchase of fuel storage for generators. The backup and control system has also been modernised, and now allows the IT system to be recovered quickly and efficiently.

As at 31 December 2021, the Company had 396 employees, whereas 427 persons were employed in the Company at the end of 2020. As at 31 December 2021, 43.94 % of employees worked at the Sales Department.

Employment in OPONEO.PL S.A.	31 December 2020	31 December 2021
Sales Department	207	174
IT	66	73
Warehouse	84	83
Other departments	70	66
<b>Total</b>	<b>427</b>	<b>396</b>

### Awards and distinctions

In 2021, OPONEO.PL S.A. was ranked among the best e-stores and took the first place in the "Automotive" category in the Opineo 2021 Ranking.

The Company was recognised by its customers and also received the Consumer Quality Leader ("Konsumencki Lider Jakości") 2021 award.

Within the 26th edition of the Businessman of the Year ("Biznesmen Roku") competition organised by the Chamber of Commerce and Industry of the Kujawsko-Pomorskie Voivodship, Dariusz Topolewski received an award in the global business category.

The Jan Kulczyk Polish Business Roundtable Award in the SUCCESS category - for realising a spectacular business project that had a lasting impact on the Polish market, the award was presented to Dariusz Topolewski.

OPONEO.PL S.A. was also given certifications of Michelin Approved Website, Continental Approved Website and Goodyear - Authorised on-line retailer, which guarantee high quality at every stage of tyre purchase.

### 3.3.2 Business activities of other companies

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

The core business of Opony.pl Sp. z o.o., based in Bydgoszcz is wholesale of parts and accessories for motor vehicles. The Company owns the Opony.pl online shop.

As at 31 December 2021, the Company's equity amounted to PLN 977.5 thousand, compared to PLN 1,334 thousand a year earlier. In 2021, the Company recorded a net loss of PLN -288.8 thousand and reduced the loss compared to 2020 by PLN 48.2 thousand

The function of the President of the Management Board as at 31 December 2021 is held by Krzysztof Huss.

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

The core business of OPONEO BRANDHOUSE Sp. z o.o. Inwestycje Spółka Komandytowo-Akcyjna (a limited joint-stock partnership) with its registered office in Bydgoszcz was the management of shares in ROTOPINO.PL S.A., whose shares were sold by OPONEO.PL S.A. in 2016.

As at 31 December 2021, the Company's share capital was PLN 100,000 and the only general partner of the company was OPONEO BRANDHOUSE Sp. z o.o. On 31 December 2021 the company's assets amounted to PLN 5,098.9 thousand, compared to PLN 5,116 thousand in the previous year. In 2021, its financial result closed with a loss of PLN -16.2 thousand, against a net profit of PLN 2 thousand generated in 2020.

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

HURTOPON.PL Sp. z o.o. with its registered office in Bydgoszcz was established in 2005. The Company's core business is to provide companies in the tyre, automotive and transportation

industries with an online trading platform. On this platform wholesalers can place offers for sale and purchase of tyres and wheels.

HURTOPON.pl Sp. z o.o. does not offer any products on its own and is not a contractual party in agreements between users and suppliers.

As at 31 December 2021, share capital of that company amounted to PLN 360 thousand and did not change during the year.

As at 31 December 2021, the Company's equity amounted to PLN 189.6 thousand, compared to PLN 101 thousand a year earlier. In 2021, the Company recorded PLN 116,4 thousand net profit, compared to PLN -95 thousand net loss in 2020.

In 2021, Krzysztof Huss was the Company's President. The Management Board of the Company consisted of one person.

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

The core business of OPONEO.CO.UK LTD with its registered office in London is retail online sales of automotive goods, tyres and car parts. The company operates in the UK via the Oponeo.co.uk platform. The average delivery time of goods in the UK is 2–5 working days. As at the end of 2020, the Company cooperated with 675 tyre fitting stations, where it delivers its tyres free of charge. According to the European Automobile Manufacturers Association, the UK market is one of the largest markets for replacement tyres in Europe.

At the end of 2021, the Management Board of the Company comprised of:

- Dariusz Topolewski – President of the Management Board,
- Ernest Pujso – Member of the Management Board,
- Seweryn Rutkowski – Member of the Management Board.

As at 31 December 2021, the Company's share capital was GBP 100. At the end of 2021, assets of OPONEO.CO.UK LTD amounted to PLN 6,267.3 thousand (compared to PLN 5,786 thousand at the end of 2020). The Company ended the year 2021 with net profit of PLN 522,2 thousand; whereas in the previous year it amounted to PLN 645 thousand.

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

Oponeo.de GmbH, based in Berlin, sells tyres and wheels as well as equipment and spare parts for cars and motorcycles online. The company operates in Germany via the website Oponeo.de. Goods are dispatched at the company's expense and reach customers within 2-4 days on average.

German market is the largest tyre market in Europe.

As at 31 December 2021, the Company's share capital was EUR 25 thousand. Company's assets reached PLN 6,146.4, while at the end of the previous year they amounted to PLN 4,497 thousand. In 2021, the Company recorded a net profit of PLN 684.3 thousand, whereas in the previous year, a net profit of PLN 659 thousand was generated.

In 2021, Krzysztof Huss held the position of the President of the one-person Management Board.

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

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

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

Dadelo S.A with its registered office in Bydgoszcz sells bikes, and it is also Poland's largest online seller of bicycle parts via Dadelo.pl and Centrumrowerowe.pl websites. Additionally, the online store's assortment also includes: clothing and shoes for fans of cycling, electronic equipment (such as: cyclometers, heart rate monitors, watches, GPS navigations) as well as supplements and beauty products. In total, the online shop offers over 20 thousand products with a unique numeric identifier.

The company cooperates with 308 bicycle collection points, where customers can pick up ready-to-go bicycles.

The Company's Management Board in 2021 was as follows:

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

The Company's share capital amounted to PLN 2,293.5 thousand at the end of 2021. On 31 December 2021, the assets of Dadelo S.A. amounted to PLN 110,002.4 thousand against PLN 32,131 thousand in the previous year. According to IAS standards, the Company ended the year 2021 with a net profit of PLN 6,023.7 thousand, compared to a net profit of PLN 5,250 thousand in 2020. The company is quoted 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 shares in ROTOPINO.PL S.A. as a result of which OPONEO.PL S.A. became the owner of 100% of shares in ROTOPINO.PL S.A.

ROTOPINO.PL S.A. with the registered office in Bydgoszcz is a company operating on the domestic and foreign markets, and its core business is online sales of tools and power tools. The company owns over a dozen online shops, including narzedzia.pl and rotopino.pl. The dynamic growth of the company over recent years has enabled it to take a leading position on the domestic market.

The Company's Management Board in 2021 was as follows:

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

As of 31 December 2021, the Company's capital amounted to PLN 1,000 thousand, while the Company's assets showed a balance of PLN 34,077.7 thousand compared to PLN 23,945 thousand in 2020. The company closed 2021 with a net profit of PLN 2,156.9 thousand, while in 2020 the financial result was PLN 2,612 thousand.

#### **Oponeo International Sp. z o.o.**

The company was established under Articles of Association entered into on 01 June 2020. Its main task is to handle the sale of tyres, wheels and automotive accessories in foreign markets, currently mainly in Italy.

As at 31 December 2021, the Company's share capital amounted to PLN 150 thousand, while its assets closed at PLN 4,081.8 thousand. In 2021, the Company generated a profit of PLN 106.3 thousand.

In 2021, Krzysztof Huss held the position of the President of the one-person Management Board.

### 3.4. THE BASIC TYPES OF BUSINESS RISK

#### 3.4.1. Financial risk

Elements that affect the OPONEO Group's operations:

- Foreign Exchange risk

The Group conducts trade activities outside of Poland, mainly within the European Union, and therefore fluctuations in exchange rates affect its results. The Group strives to balance revenues and expenses incurred in a given currency and concludes forward hedging transactions in respect of payments and receivables in foreign currency. Approximately one month before the start of the current sales season, OPONEO.PL estimates the amount of foreign exchange purchases. This is the moment when national companies announce their price lists and terms of purchase. These elements are the reference points for deciding on the volume of purchases in a foreign currency. In order to calculate the purchase price in PLN, the exchange rates applicable at the time of estimation of purchases are taken into account. As regards handling and securing foreign exchange transactions, the Parent Entity cooperates with BNP Paribas Bank Polska S.A.

- Interest rate risk

Companies in the OPONEO.PL Group use variable rate credit lines, and therefore increases in official interest rates may pose a risk of increased financing costs for the Group. The Group uses hedging instruments to a limited extent for interest rate risk.

- Credit risk

The risk may be due to the economic downturn which will worsen the payment situation of counterparties. However, such risk is negligible, as payments for goods are largely carried out by pre-delivery payment (cards, fast transfers) and cash on delivery. In the case where the Company grants the buyers' credit to customers, they are verified. In addition, trade receivables are insured at BRU KUKE SA.

- Liquidity risk

The OPONEO.PL Group constantly monitors the chargeability of receivables and liabilities. OPONEO.PL aims to maintain financial balance also through the use of various sources of financing (bank credit, buyers' credits). A threat to the Group may be the tightening of lending policy or limiting of the possibility to obtain external financing.

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

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

- the pace of economic growth and the share of consumption in creating GDP growth - the increase in the wealth level of society and the climate conducive to making purchasing decisions translate into an increase in demand for means of transport and their equipment. The recession can lead to:
  - the limitation of demand for tyres and other car accessories, as well as a decrease in their prices and dealer margins; at the same time, a low number of new registrations may have a positive impact on the mid-term tyre demand associated with replacing old tyres with new tyres;
  - the reduction of individual modes of transport due to lack of funds for their maintenance; this will reduce tyre wear and thus reduce the need for replacement;

- monetary policy, including the level of interest rates, which together with the banks' lending policy determine the level of purchases for credit;
- situation on currency markets and situation of the zloty [PLN], influencing the rise in prices of imported goods, may translate into a drop in demand for imported cars and accessories. Depreciation of the local currencies in relation to euro, for which the OPONEO.PL Group purchases the products it sells, has a negative impact on the competitive position of the Group on local markets;
- higher prices of raw materials, especially crude oil and rubber, which will lead to higher tyre prices;
- overproduction of tyres, which may result in a decrease in their prices;
- increasing competition in the market - low entry barriers for online shops, may cause an increase in competitive pressure and decrease margins.

#### 3.4.3. Risk associated with the strategy

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

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

#### 3.4.4. Operational risk

While conducting business in the e-commerce area, the OPONEO.PL Group is exposed to the following risks:

- IT risk, i.e. problems related to:
  - ensuring the continuous operation of applications - possible problems with the proper functioning of IT systems could mean reducing the volume or even making sales impossible. In order to prevent occurrence of such a situation, the Group uses high quality hardware with low failure rate and secures itself by a full multiplication of hardware and software;
  - potential system intrusions - connecting IT systems to the Internet poses a risk of being exposed to computer crimes committed via the network, such as hacking into a computer system and destroying it or damaging or denial of service. The Group does not underestimate this risk by maintaining a team of people responsible for the security of the portal and by applying appropriate security and safety procedures;
- the risk of problems related to logistics, guaranteeing the availability of goods in the warehouse, proper complementation and packing of goods, as well as cooperation with couriers;
- risk associated with an excessive stockpiling - it is the risk of improper assessment, such as weather - large tyre stocks generate additional costs and cause their ageing;



- the risk related to concentration of commodity in one place - any accidental events (fire, flood, etc.) would result in serious disruptions of supply continuity to the recipients. In order to minimize the possible negative effects of this risk factor, a system was implemented to allow systematic backups of all information and possible immediate recovery of an IT network based on an emergency system. There are also insurance contracts that cover any possible losses;
- the risk of outflow of skilled workers - lack of qualified personnel may lead to an increase in errors in order processing.

#### 3.4.5. Legal risk

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

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

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

#### 3.4.6. Geopolitical risks

The Issuer does not operate on the Russian market and has no operations located in Ukraine. Nevertheless, the consequences of the ongoing armed conflict could be serious for national, European and global economies. Given that both Ukraine and Russia play a key role in the energy supply chain, considerable turbulence can be expected in the market. The current record oil and gas prices will undoubtedly translate into higher prices of production, transport and services. This will in the near future increase the dynamics of inflation and cause a decrease in the purchasing power of consumers. The National Bank of Poland, in an attempt to curb rising inflation, will undoubtedly raise interest rates, which will affect the availability of credit and significantly increase borrowing costs. At present, exchange rates are also trading at historic highs.

In view of these factors, a drop in consumption is to be expected, which will undoubtedly affect the entire automotive market. As a result, a reduced demand for new cars and a reduced market demand for new tyres can be expected. In January and February 2022, the number of registered cars was 245,877, compared to 263,510 registered in the same period of 2021, a decrease of 6.69%.<sup>25</sup> The coming months will show whether this trend is lasting or whether there will be a change in trend. At this time, it is difficult to accurately estimate the future impact of the economic situation on the Company's and Group's results.

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<sup>25</sup> Cepik, [<http://www.cepik.gov.pl/statystyki>]



### 3.5. RELATIONS WITH CUSTOMERS AND COOPERATION WITH SUPPLIERS

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

- the Group's offer on all markets includes about 84,8 thousand tyres, with 5,1 thousand models from 245 manufacturers. These tyres are no older than 18 months from the date of manufacture. It means that the OPONEO.PL Group applies standards that are twice as restrictive as of the Polish PN-C94300-7 standard;
- Shipping costs - the survey shows that they are one of the key factors that motivate individual customers to shop online. Most of the stores belonging to the OPONEO.PL Group provide customers with free delivery;
- time of delivery - in Poland, purchased goods are usually delivered within 24 hours;
- payment method - customers can use various payment methods, and some stores provide them with an opportunity to make purchases in instalments;
- information - the Group's websites provide customers with the largest database of information and opinions on automotive issues in Poland. Customers can also use a variety of guides on tyre selection and use. The 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 customers the possibility to deliver tyres to a tyre fitting station. At the end of 2021, this network consisted of some 6.03 thousand fitting points.

Customers highly appreciate the quality of the Group's services, as evidenced by the average customer ratings for the OPONEO.PL Group's companies participating in the Opineo Program - I listen to my customers ("Słucham Swoich Klientów"). The Oponeo.pl shop is ranked first in the quality of e-commerce services in the Automotive category.

Store	Rating in Opineo*	Delivery costs	Time of delivery	Purchases in instalments
Oponeo.pl	4.8	Free of charge	24 h	yes
Centrumrowerowe.pl	5	Free of charge	24 h	yes
Dadelo.pl	5	Free of charge	24 h	yes
Rotopino.pl	4.9	Free of charge	24 h	yes

\*rating in a 5-point scale

E-shop Oponeo.pl is marked by Opineo with its Opineo certificate. The certificate is awarded to stores with proven reliability, which steadily improve their services. The fulfilment of formal criteria concerning the rules of selling via the Internet and the publication of all required information and policies are subject to cyclical verification by Opineo experts.



Owing to the business profile of the OPONEO.PL Group, the main suppliers are tyre manufacturers and wholesalers. In 2021, no manufacturer reached the threshold of at least 10% of revenue.

### 3.6. EMPLOYMENT

As at 31 December 2021, the OPONEO.PL Group employed a total of 541 employees. During the year, employment increased by 73 employees. The increase in employment resulted from an increase in the scale of the Group's operations and the consolidation of ROTOPINO.PL S.A.

Employment in the OPONEO.PL Group	31 December 2020	31 December 2021
Sales Department	221	237
IT	66	81
Warehouse	105	110
Other departments	76	113
<b>Total</b>	<b>468</b>	<b>541</b>

### 3.7. OTHER INFORMATION

#### 3.7.1. Disputes

In the period covered by this report, the OPONEO.PL Group did not make any significant settlements in court proceedings.

In 2021, as well as until the date of submission of this periodic report, no significant proceedings concerning liabilities or receivables of the Company or its subsidiaries in the OPONEO.PL Capital Group were pending or have been pending before court, arbitration authority or public administration authority.

#### 3.7.2. Transactions with related entities

In the period covered by this report, in OPONEO.PL Group, no transactions were concluded between related parties on other than market conditions.

In the report of the OPONEO.PL Group for the period from 1 January to 31 December 2021, mutual transactions of related entities covered by full consolidation were eliminated.

## 4. CORPORATE GOVERNANCE



## 4. CORPORATE GOVERNANCE

### 4.1. THE PRINCIPLES AND SCOPE OF USE OF CORPORATE GOVERNANCE

#### 4.1.1. Set of corporate governance principles

This statement on the application of corporate governance principles in OPONEO.PL S.A. is submitted in accordance with the requirements set out in the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information, published by issuers of securities, and conditions for recognising as equivalent the information required by the laws of a non-member state (Dz. U. [Journal of Laws] of 2018, item 757).

OPONEO.PL S.A. applies the principles of corporate governance contained in “*Best Practice of GPW Listed Companies 2021*”, adopted by resolution of the Supervisory Board of the Warsaw Stock Exchange 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 Joint-Stock Company dedicated to issues of corporate governance of companies listed on the WSE Main List: <http://www.gpw.pl/dobre-praktyki2021/>.

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

As part of its information policy, the Management Board of OPONEO.PL S.A. makes direct contacts with investors, i.e. during meeting of the Management Board with investors, teleconferences or through Investor Relations Department which replies to individual inquiries of investors and inquiries sent by e-mail to [ir@oponeo.pl](mailto:ir@oponeo.pl).

In 2021, the Company continued running a website for investors, where it posted all information on the Company which was necessary to appropriately assess its situation and prospects, including data on financial results, actions taken by the Management Board and other relevant events concerning operation of the Company. The information posted on the investor relations website: <http://www.ir.oponeo.pl/> owned by OPONEO.PL S.A., is updated on a regular basis.

#### 4.1.2. Nonapplied principles of corporate governance

In 2021, the Company did not apply the following principles set out in *Best Practice of GPW Listed Companies 2021*.

Principle	The comment of OPONEO.PL S.A.
<b>1. Information policy and communication with investors</b>	
<p><b>1.3.</b> Companies also include ESG topics in their business strategy, which in particular includes:</p> <p><b>1.3.1.</b> environmental factors, including measures and risks relating to climate change and sustainable development;</p>	<p>The principle is partially applied. The Company is not obliged to publish a Declaration on non-financial data required by amendments in the Polish Accounting Act of 29 September 1994 (consolidated text Dz. U. [Journal of Laws] of 2017, item 2201, as amended) resulting from</p>

**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 the Directive 2014/95/EU into Polish law, 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., in support of the intention to increase transparency of social and environmental information, in view of its activities in the spirit of sustainable development and analysing dynamic growth of the OPONEO.PL Group, prepares and publishes, in the annual reports of its Management Board, a document entitled "Aspekty niefinansowe działalności OPONEO.PL" (Non-financial aspects of OPONEO.PL's operations), in which it refers to climate change and sustainable development issues, as well as social and employee 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.** The company discloses at least on an annual basis the amounts expensed by the company and its group in support of culture, sports, charities, the media, social organisations, trade unions, etc. If the company or its group pay such expenses in the reporting year, the disclosure presents a list of such expenses.

The principle is not applied. The Company does not disclose a breakdown of expenditure for the above purposes, some of the expenditure is related to contracts, the terms of which are covered by commercial confidentiality.

## 2. Management Board, 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%.

This principle is not applied to the extent that a diversity policy for the Management Board and Supervisory Board should be respectively adopted by the Supervisory Board or the General Meeting, and due to the extent of gender diversity - the Company does not meet the condition of diversity of the Company's bodies at the level of not less than 30%. Nevertheless, 49% of the Company's employees at the date of publication of the 2021 Annual Report were women. The Company strives to ensure gender, field of study, age and professional experience diversity. The Company has a Diversity Policy adopted by the Board relating to all employees of the Company and applies principles that promote the prevention

of discrimination in employment. For this purpose, internal regulations have been developed to increase diversity and to ensure equal opportunities for employment among the employed. OPONEO.PL S.A., as a company with international reach, employs people of different nationalities.

**2.2.** Decisions to elect members of the management board or the supervisory board of the company 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 towards the management board and the supervisory board adopted respectively by the supervisory board or the general meeting referred to in principle 2.1. However, those who make decisions on the election of management or supervisory board members seek to ensure diversity in gender, field of study, age and professional experience. However, the choices made by the 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;

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.

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

This principle does not apply to the company. Separate units within the structure responsible for the tasks of individual systems or functions are not justified by the nature of the business. Such activities are carried out effectively by individual organisational units of the Company or external entities (without a separate special unit for this purpose).

**3.3.** Companies 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 believes 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 3.2, no separate positions responsible only for risk management, internal audit and compliance have been separated in the Company.



<p><b>3.5.</b> Persons responsible for risk and compliance management report directly to the president or other member of the management board.</p>	<p>The principle is not applied because, as indicated in the justification for not applying principle 3.2, no separate positions responsible only for risk management, internal audit and compliance have been separated in the Company. In the Company's organisational structure, the directors of individual divisions in which the aforementioned functions are performed, among others, report to the President of the Company.</p>
<p><b>3.6.</b> The head of internal audit reports organisationally 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.</p>	<p>This principle is not applied due to the fact that 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.</p>
<p><b>3.7.</b> 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.</p>	<p>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 paragraphs 3.4 to 3.6.</p>
<p><b>3.8.</b> 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.</p>	<p>This principle is not applied due to the fact that the Company does not apply principle 3.3.</p>
<p><b>3.9.</b> 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.</p>	<p>The principle is not applied in part to the extent that the Board should monitor the effectiveness of systems and functions based on the internal auditor's report. The Supervisory Board and the Audit Committee shall evaluate the systems and functions referred to in principle 3.1.</p>
<p><b>3.10.</b> Companies participating in the WIG20, mWIG40 or sWIG80 index have the internal audit function reviewed at least once every five years</p>	<p>This principle is not applied as the Company has not yet separated an internal audit unit and has</p>



by an independent auditor appointed with the participation of the audit committee.

not identified a person in charge of the internal audit function.

#### 4. General meeting and relations with shareholders

**4.1.** Companies should enable their 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 hold general meetings of shareholders by means of electronic communication, as the Company has not received any requests from shareholders in this respect to date. Furthermore, this principle is not applied because of the technical and legal risks related to the possibility of inaccurate identification of shareholders entitled to participate in the general meeting, as well as the risks related to a breach of the security and liquidity of electronic communication and a possible undermining of adopted resolutions.

**4.3.** Companies provide a public real-life broadcast of the general meeting.

The applicable rules of participation in the General Meeting give effect to the rights arising from ownership of shares and safeguard the interests of all shareholders. The Company provides shareholders with the opportunity to participate in the General Meeting in person or through a proxy. The Company fulfils its information obligations imposed by law. Not later than within 24 hours from the end of the General Meeting it transmits, in the form of current reports, the information on the content of the adopted resolutions and results of voting 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 the matters addressed at the General Meeting. The Company does not exclude the possibility of applying the aforementioned principle in the future, in particular if the need for real-time broadcasts of General Meetings is raised by shareholders.

#### 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

This principle does not apply to the company.

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measured by its financial and non-financial results as well as long-term shareholder value 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.

This 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 rule 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 view, this does not adversely affect the performance of the Supervisory Board. Nevertheless, the Company does not exclude taking steps to apply this principle in the future.

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#### 4.2. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS FOR THE PROCESS OF FINANCIAL REPORTING

Adoption of the Accounting Policy for OPONEO.PL S.A. and its subsidiaries, in accordance with the International Financial Reporting Standards, provides for the correctness and reliability of accounting records for these entities. In accordance with the Accounting Act of 29 September 1994, on the basis of which the Company's Management Board approved the documentation describing the accounting principles implemented by the Company, Polish accounting principles have been applied in preparing separate financial statements of OPONEO.PL S.A. Since the establishment of the Group in 2010, the separate and consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards. The process of preparing financial statements is carried out in a strict and absolute application of the above principles.

Preparation of source data is subject to formal, operational and acceptance procedures that determine the extent of the competence of the individual. The data entered in the General Ledger is based on records in documents and Source Books. Thanks to the application of internal control systems in the field of accounting and financial reporting, the Company ensures a fair and transparent presentation of its financial and material standing.

The Management Board bears the responsibility for the internal control system, risk management and its effectiveness with regard to the process of drawing up financial statements.

The Company has documentation describing adopted accounting policies, which determine methods of valuation of assets and liabilities and determining the financial result, as well as the manner of keeping books of accounts, data protection systems and their collections. The prepared financial statements are formally approved by the Chief Accountant and subsequently by the Company's Management Board.

In the process of preparing the reports, the control element is the verification of the Company's financial statements and the financial statements of the companies within the Group by an independent statutory auditor. The statutory auditor's tasks include in particular: the review of half-yearly financial statements and examination of annual reports. The financial data being the basis of financial statements and periodic reports are derived from the Company's monthly financial and operating reporting conducted through the financial and accounting system. Preparation of financial statements and periodic reports begins after acceptance of the results of the completed period. During the year, the Management Board and the Supervisory Board analyse, evaluate and supervise the obtained financial results.

The effectiveness of applied control and risk management procedures in the process of preparing financial statements of OPONEO.PL S.A is proven by high quality of the reports, which is confirmed by opinions of statutory auditors. OPONEO.PL S.A monitors significant legal, tax, economic and operational risks which affect the Company's business. In addition, the Company makes provisions for deferred tax and leave.

### 4.3. SHARES AND SHAREHOLDER STRUCTURE

#### 4.3.1. Shareholder structure

As at 31 December 2021, the Company's share capital amounted to PLN 13,936,000 and included:

- 8,676,000 ordinary bearer shares of A-series with a nominal value of PLN 1.00 each,
- 4,000,000 ordinary bearer shares of B-series with a nominal value of PLN 1.00 each,
- 1,260,000 ordinary bearer shares of C-series with a nominal value of PLN 1.00 each.

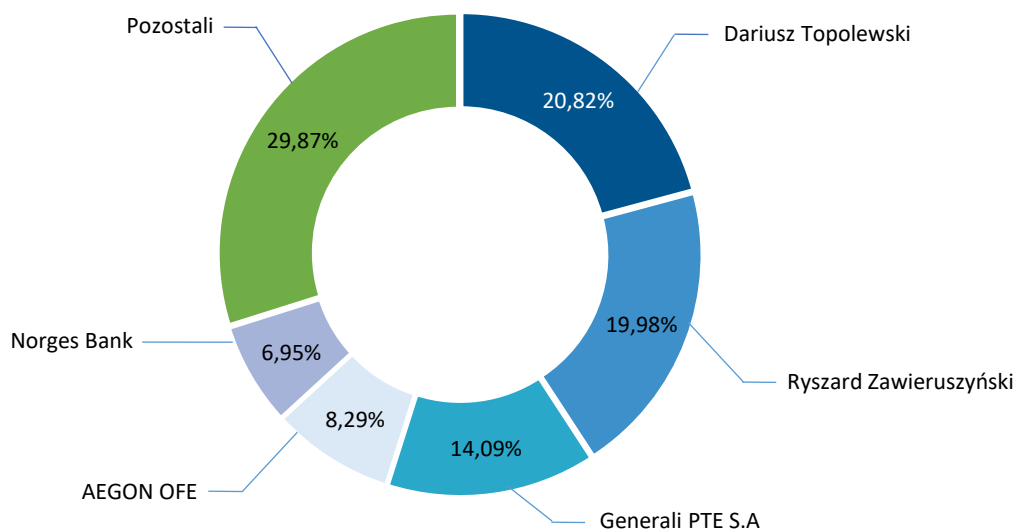
In 2021, the value of the Company's share capital did not change.

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

Shareholder	06 April 2022		31 December 2021		31 December 2020	
	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
Ryszard Zawieruszyński	2,784,654	19.98	2,784,654	19.98	3,081,200	22.11
Generali PTE S.A.	1,963,005	14.09	1,963,005	14.09	1,531,274	10.99
AEGON OFE	1,155,000	8.29	1,155,000	8.29	1,155,000	8.29
Norges Bank	968,838	6.95	968,838	6.95	968,838	6.95
Other	4,162,911	29.87	4,162,911	29.87	4,198,096	30.12
<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 date of publication of the report, the Company did not have information on contracts, which could result in future changes in the proportions of shares held by the existing shareholders.

Shareholding structure of the OPONEO.PL S.A. as at 06.04.2022\*



\*The date of publication of this report

#### 4.3.2. Information on possession of shares by managing and supervising persons

**The possession of shares of OPONEO.PL S.A. by members of the Supervisory Board and members of the Management Board:**

Shareholder	06.04.2022		31.12.2021		31.12.2020	
	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

The OPONEO.PL Group does not operate any employee share programs, except for the programme in Dadelo S.A. described in the Prospectus of this company.

#### 4.3.3. Special controlling rights and restrictions on the transfer of securities and voting rights

OPONEO.PL S.A.'s shares are ordinary bearer shares. No special control rights are attached to the Company's shares. The Company's Statute does not impose any restrictions on the transfer of ownership of shares issued by the Company or exercise of voting rights, and also does not include any provisions under which the equity rights attached to securities are separated from the possession of securities.

#### 4.3.4. Share price performance

Shares of OPONEO.PL are listed on the Warsaw Stock Exchange since September 2007. Since the trading session on 19 March 2016 they have been included in the sWIG80 index, and since 16 December 2016 - in the WIGdiv index.

Among Warsaw's main indices, the index of medium-sized companies (mWIG40) performed best in 2021, reaching returns of 29.7%. The sWIG80 index gained 21.5% over the year, while the WIG20 index of large companies was the weakest, rising 12.8%. The WIG broad market index recorded an increase of 21.5% and, together with mWIG40 and sWIG80, was at its highest since mid-2017. Lower pandemic restrictions and the realisation of deferred demand, have driven growth in 2021.

In 2021, the share price of the OPONEO.PL S.A. upon the closing of the WSE session ranged from PLN 37.95 (recorded on 02 January) to PLN 68.6 (session on 19 April). On the last trading day of 2021, that is 30 December, the share price of OPONEO.PL S.A. was PLN 63.6.

In 2021, the average turnover of OPONEO.PL S.A. shares on the WSE was 10,696 shares.

As at 31 December 2021, the market value of OPONEO.PL S.A. was at the level of PLN 886.3 million, while the book value was PLN 253.1 million.

The P/BV ratio (price/ book value) for the Company was 3.50 and the P/E (price/ earnings) was 16.43.

#### 4.3.5. Dividend

The amount of the dividend for the shareholders of OPONEO.PL S.A. depends on the current market situation and the development of the Company's operations and takes into account the maintenance of an appropriate level of financial liquidity of the Company and the OPONEO.PL Group.

On 30 June 2021, the Ordinary General Meeting, by virtue of resolution No 8 concerning the distribution of profit for the financial year from 1 January 2020 to 31 December 2020, decided to allocate PLN 1.00 per share for the payment of dividend.

The dividend day was set at 14 July 2021, and the dividend payout was scheduled for 20 July 2021. The payment was made on time.

Dividend	2013	2014	2015	2016	2017	2018	2019	2020
<b>Net profit of OPONEO.PL S.A. (in PLN thous.)</b>	2,735.5	3,605.3	9,801.0	15,888.40	16,713.00	16,832.00	17,006.0	25,361.2
<b>Dividend from the profit of the given year (in PLN thous.)</b>	383.9	638.1	1,276.3	2,787.20	4,877.60	5,574.40	1,393.60	13,936.0
<b>Dividend per share (in PLN)</b>	0.03*	0.05*	0.10*	0.2	0.35	0.40	0.10	1.00
<b>Date of setting the right to dividend</b>	03.07.2014	03.07.2015	11.07.2016	3.07.2017	3.07.2018	03.07.2019	15.07.2020	14.07.2021

\* Own shares were deducted from the total number of shares, which were not bought back by the dividend date.

#### 4.4. STATUTE AND STATUTORY AUTHORITIES

##### 4.4.1. Amending the Statute

The amendment to the Company's Statute, requires the resolution of the General Meeting and the entry into the register of entrepreneurs of the National Court Register.

In 2021, the General Meeting of the Shareholders of OPONEO.PL S.A. did not pass any resolutions on amending the Company's Statute.

##### 4.4.2. General Meeting

The General Meetings are held at the Company's registered office in Bydgoszcz. The General Meeting of OPONEO.PL S.A. holds its sessions as ordinary or extraordinary. It is called by the Management Board on its own initiative and at written request of shareholders representing at least 5 percent of the Company's share capital, stating the reason for calling the Meeting, or at the request of the Supervisory Board.

The Ordinary General Meeting is convened annually by the Management Board of the Company, by 30 June of the following financial year, at the latest.

The subject of the Ordinary General Meeting should be:

- consideration and approval of the Management Board's report on the Company's activities, and approval of the financial statements for the previous financial year,
- adopting a resolution on profit distribution or loss coverage,
- acknowledgement of fulfilment of duties by members of the governing bodies of the Company.

Moreover, the following matters require a resolution of the shareholders' meeting:

- adoption of the balance sheet, profit and loss account, and cash flow statement for the previous year;
- any provisions relating to the claims of the shareholders, to compensate for any damage caused to the Company or its management or supervision;
- leasing the business and establishing the right to use it;
- disposal of an enterprise;
- profit allocation and determination of loss coverage;
- Determination of remuneration for the members of the Supervisory Board and determination of remuneration for the members of the Audit Committee;
- approval of annual and multi-annual plans of the Company's activities;
- dissolution, liquidation and transformation of the Company;
- increase and decrease of the Company's share capital and the redemption of shares by the Company;
- Amendments to the Statute;
- exercising control over the activities of the Supervisory Board;
- approval of the rules of procedure of the Supervisory Board;
- appointment and dismissal of Members of the Supervisory Board.

The subject matter of the General Meeting, may be any matter addressed by the Company's Management Board or Supervisory Board, or at the request of shareholders representing at least one twentieth of the share capital. Requesting to convene a General Meeting and place specific issues in its agenda submitted by authorized entities should be justified.

Draft resolutions proposed for adoption by the General Meeting of Shareholders, and other relevant materials, should be submitted to the shareholders together with the justification and the opinion of the Supervisory Board before the General Meeting in sufficient time allowing the shareholders to familiarize themselves with these materials and evaluate them. The Company immediately publishes the aforementioned draft resolutions on its website.

The General Meeting convened at the request of the Shareholders, should be held within the time indicated in the request, and if meeting that deadline is impossible due to compelling reasons - at the earliest possible date, enabling the General Meeting to settle the issues brought to its attention.

Cancellation of the General Meeting, whose agenda includes specific matters at the request of authorized entities or which is convened on such request, is only possible with the consent of the applicants. In other cases the General Meeting may be cancelled if there are extraordinary obstacles (the so-called force majeure) or it is evidently groundless. Cancellation is effected in the same way as convocation, not later than three weeks before the initially planned date; it should also minimise losses to the Company and inconvenience for the shareholders.

The change of the date of the General Meeting takes place in the same manner as its cancellation, even if the proposed agenda has not changed.

The participation of the shareholder's representative at the General Meeting, requires the right to act on his behalf properly. There is a presumption that a written document confirming the right to represent the shareholder at the General Meeting is lawful and does not require additional confirmations.

Each share equals 1 vote at the General Meeting. Resolutions are adopted by a majority of 51% of all voting rights held by the shareholders. The voting is open unless the provisions of the

Commercial Companies Code require a secret ballot. In addition, a secret ballot shall be held at the request of at least one of the current shareholders, as well as in the election and motion to remove the members of the Company's authorities or its liquidators, and to pull them into account, as well as for discharge. The election of the Supervisory Board, also including voting in separate groups, takes place in accordance with the provisions of the Commercial Companies Code.

Any Shareholder, as well as advisers, specialists, or other persons invited by the Company's Management Board or Supervisory Board, may participate in the General Meeting. The Management Board invites the Company's auditor to participate in the Ordinary General Meeting and in the Extraordinary General Meeting, if the Company's financial matters are to be discussed.

Members of the Supervisory Board and the Management Board and the statutory auditor should provide the participants with explanations and information concerning the Company, within the limits of their competence and to the extent necessary to settle matters discussed by the Assembly. When answering questions from the General Assembly, the Board should be taking into account, that information obligations of a public company are exercised in a manner resulting from the law governing the public trading of securities and that certain information may not be exercised in any way, other than arising from this law.

Applicants who object to the resolution, shall be provided with the opportunity to briefly state their objection. In this way, the Management Board or the Chairman of the General Meeting should formulate resolutions, so that any eligible person who does not agree with the merits of the resolution constituting the object of the resolution has the opportunity to challenge it. At the request of a participant of the General Meeting, a written statement is accepted in the minutes. The statement of the participant of the General Meeting should concern only matters of importance and considered by the General Meeting.

#### 4.4.3. Supervisory Board

##### **Appointment and dismissal rules**

The Supervisory Board consists of five members, appointed and dismissed by a resolution of the General Meeting for a joint term of 5 years. At least two Supervisory Board members should meet the independence criterion within the meaning of Art. 129 of the Act of 11 May 2017 on statutory auditors, audit firms and public oversight. At least one member of the Supervisory Board should have competence in accounting and/or auditing financial statements. At least one member of the Supervisory Board should have expertise and skills in the industry in which the Company operates.

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

If, following the expiry of the mandate of a Supervisory Board member before the expiry of his term of office, the number of Supervisory Board members is less than five, the Management Board calls the Extraordinary General Meeting, within 14 days, in order to complement the composition of the Supervisory Board so that it meets the requirements specified in the Statute.

##### **Composition**

In 2021, the Supervisory Board of OPONEO.PL S.A. was composed of the following members:

- Monika Siarkowska – Chairman of the Supervisory Board,
- Lucjan Ciaciuch – Member of the Supervisory Board (independent),
- Michał Kobus – Member of the Supervisory Board,
- Wojciech Małachowski – Member of the Supervisory Board (independent),
- Krzysztof Barczewski – Member of the Supervisory Board



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

- Monika Siarkowska – Chairman of the Supervisory Board,
- Lucjan Ciaciuch – Member of the Supervisory Board (independent),
- Michał Kobus – Member of the Supervisory Board,
- Wojciech Małachowski – Member of the Supervisory Board (independent),
- Krzysztof Barczewski – Member of the Supervisory Board

## **Competence**

The competence of the Supervisory Board is set out in the Company's Statute. The Supervisory Board exercises permanent supervision over the Company and all its branches. Special duties of the Supervisory Board include:

- exercising permanent supervision over the activities of the Management Board and submitting annual reports on activities of the Supervisory Board to the General Meeting;
- examination and evaluation of the reports referred to in art. 395 § 2 (1) of the Commercial Companies Code, in terms of their compliance with books and documents as well as with the actual state;
- giving opinions on annual and periodic reports of the Management Board and the Management Board's proposals on distribution of profits and their use;
- representing the Company in disputes and concluding agreements between the Management Board or a Member of the Management Board and the Company, suspending in the actions individual members of the Management Board, for good reasons;
- issuing opinions on motions of the Management Board on establishment of new companies, joining existing companies and economic organizations as well as acquisition and sale of shares and stocks in other companies;
- issuing opinions on the Company's periodical economic plans;
- granting consent to start new companies, joining existing companies and business organizations, acquire and sell shares in other companies, create and close branches, businesses or subsidiaries;
- approving the Company's business plans and periodic development plans;
- considering and settling the motions of the Management Board;
- consent to the acquisition, sale and encumbrance of property or share in jointly owned property;
- determining the remuneration of members of the Management Board;
- approving the Company's budget;
- appointing statutory auditors for the annual audit of the Company's financial statements, dismissing them and approval of a material change in accounting practices, unless such change results from the applicable law;
- giving consent to start a business, in new business sectors, unless it is a result of an approved annual plan of the Company;
- approving contracts with related entities, marriage or kinship with any of Board Members;
- approving work regulations of the Management Board;
- delegating a member or Members of the Supervisory Board to temporary execution of the Management Board's activities in the event of the suspension of Members of the Management Board or the entire Management Board;
- Granting the consent of appointing proxies to the Management Board;

- giving a consent to sell and/or lease, pledging or encumbering Company assets of more than 10% of the Company's share capital, provided that they are not attributable to the Company's approved annual plan or business plan covering part or all of the Company's activities;
- convening an Ordinary General Meeting if the Management Board fails to convene it within the time specified in the Articles of Association;
- convening the Extraordinary General Meeting whenever the Board deems it appropriate and the Management Board fails to convene the General Meeting within two weeks of the request being made by the Board;
- appointment and dismissal of Audit Committee Members and defining the Audit Committee rules;
- giving consent to pay-out of an advance on account of the anticipated dividend.

### Audit Committee

The Supervisory Board passes the resolution appointing the Audit Committee and adopts Audit Committee rules which determine its function, tasks and principles of operation.

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

Most of the Audit Committee Members, including the Chairman of the Audit Committee, should meet the independence criterion within the meaning of Art. 129 of the Act of 11 May 2017 on statutory auditors, audit firms and public oversight. At least one Audit Committee Member should have competence in accounting and/or auditing financial statements. At least one Audit Committee Member should have expertise and skills in the industry in which the Company operates.

The Company complies with the provisions on the appointment, composition and functioning of the Audit Committee, independence criteria and requirements regarding expertise and skills in the industry in which the Company operates, and also in accounting or auditing of financial statements.

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

As at 31 December 2021 and as at the date of preparing this report, the Audit Committee was as follows:

- Lucjan Ciaciuch – Chairman of the Audit Committee,
- Wojciech Małachowski – Member of the Audit Committee,
- Monika Siarkowska – Member of the Audit Committee.

**Lucjan Ciaciuch – Chairman of the Audit Committee** meets the statutory criteria of interdependence and has expertise and skills in accounting and auditing of financial statements. He runs an audit firm *Uni-Rach-Audyt Lucjan Ciaciuch* registered in the National Chamber of Statutory Auditors under the number 3687. Prior to that, he worked for example as: Chief Financial Officer in *PBPP Piecobudowa-Bydgoszcz* and Head of Financial Department in Voivodship Office in Bydgoszcz. He graduated from the Faculty of Law and Administration of the Nicolaus Copernicus University in Toruń. He has a license of a statutory auditor, entered into the list of entities authorised to audit financial statements under the registration number 500/4802, and qualifications of a receiver and liquidator.

**Wojciech Małachowski – Member of the Audit Committee** meets the statutory criteria of independence.

**Monika Siarkowska – Member of the Audit Committee** has expertise and skills in the IT industry, in which the Company operates. She has been working for OPONEO.PL S.A. since 2007, that is the

moment the Company entered the main trading floor of the Warsaw Stock Exchange. She created the IR department in OPONEO.PL S.A., leading and supervising Company's information obligations, in the scope of legal provisions on trading in financial instruments, and also communication with the capital market. She gained her previous experiences in such companies operating in the field of the Internet as, for example, a branch of the Active 24 Group and foreign branches of Europa Technologies and Oracle.

The Audit Committee adopted the Policy and procedures for the choice of an audit firm for auditing financial statements of OPONEO.PL S.A. and the Policy of provision of permitted services other than auditing of financial statements of OPONEO.PL S.A. by the audit firm.

**Main objectives of the Policy of appointing an audit firm:**

1. The following rules are applied for the selection of an audit firm which is given the task of auditing the financial statements of OPONEO.PL S.A:
  - a) the choice is made according to § 18 section 7 letter m of the Company's Statute;
  - b) in order to audit the financial statements, the audit firm must meet the requirements of independence specified in Art. 69-73 of the act on statutory auditors, audit firms and public oversight.
2. The auditory firm is selected by the Supervisory Board from amongst the firms recommended by the Audit Committee.
3. The procedure and selection of the audit firm should be carried out in advance in order to eliminate the risk of compromising the independence and to keep the restrictions resulting from legal provisions and, at the same time, ensure appropriate quality of audit and participation of the audit firm in the necessary activities.
4. The audit firm cannot audit financial statements for the period exceeding 5 consecutive years.
5. The selected audit firm conducts an interim review and audit of financial statements for the ended financial year.
6. The selection is made out of firms which submit offers and those invited to submit offers, considering:
  - a) their experience in auditing of financial statements;
  - b) their human resources;
  - c) experience in auditing of companies with the nature of business which is similar to that of OPONEO.PL S.A.;
  - d) technical capacity of performing an audit within the time frame expected by OPONEO.PL S.A.;
  - e) the price of audit of financial statements.
7. It is preferable that the audit firm audited financial statements of subsidiaries.

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

The audit firm auditing financial statements of OPONEO.PL S.A., affiliated entity of the audit firm and members of the audit firm's network cannot provide any services to OPONEO.PL S.A. other than auditing of financial statements or other accounts auditing services which these entities are not allowed to provide in accordance with the applicable provisions, especially under Art. 136 section 1 of the act on statutory auditors, audit firms and public oversight, in conjunction with Art. 5 section 1 second subparagraph of the regulation No 537/2014 on specific requirements regarding statutory audit of public-interest entities.

Services specified in Art. 136 section 2 of the act on statutory auditors, audit firms and public oversight are not prohibited. Provision of these services is possible only to the extent unrelated to tax policy of OPONEO.PL S.A., after assessment of the risks and safeguards for independence, as

specified in Art. 69-73 of the act on statutory auditors, audit firms and public oversight, is carried out by the Audit Committee.

In order to issue to assessment of risks and safeguards for independence, the Audit Committee has the right to request appropriate documents or clarification.

Regardless of issuing assessments of risks and safeguards for independence, the Audit Committee may issue appropriate guidelines for services other than auditing of financial statements.

On the basis of the aforementioned documents, independence assessment of the audit firm was carried out and consent was given for the provision of services in the scope of review and audit of financial statements.

The audit firm auditing financial statements of the OPONEO.PL Company and Group for financial year 2021, that is HLB M2 Audit Pie spółka z ograniczoną odpowiedzialnością (further referred to as HLB M2) was selected by the Supervisory Board in accordance with the applicable provisions, including those on selection and selection procedure of the audit firm.

Both the audit firm and members of the auditing team met the requirements for preparing an unbiased report from auditing of financial statements of the Company and the OPONEO.PL Capital Group for financial year 2021, in accordance with the applicable provisions, professional standards and rules governing professional ethics.

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

Moreover, the company complies with the applicable law on rotation of audit firm and key statutory auditor and on obligatory waiting periods.

#### 4.4.4. Management Board

##### **Composition**

According to the Statute, the Board consists of one or more members. Members of the Management Board are appointed and dismissed by a resolution of the Supervisory Board, which entrusts the function of the President of the Management Board to one of the Members. The term of office of the Management Board is common and lasts five years.

As at 31 December 2021, the Management Board of OPONEO.PL S.A. was as follows:

- Dariusz Topolewski – President of the Management Board,
- Michał Butkiewicz – Member of the Management Board,
- Ernest Pujso – 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 entitled and obliged to make any decisions relating to the operative management of the affairs of OPONEO.PL Joint-Stock Company.

The scope of activities of the Management Board shall especially include:

- running the Company's business,
- preparing the Management Board's reports on the Company's activities, balance sheet, as well as profit and loss account, in the manner and within the deadlines set by the applicable laws,
- keeping the minutes of the General Meeting, as well as the books of adopted resolutions,
- executing resolutions of the General Meeting and adhering to the recommendations and resolutions of the Supervisory Board,

- keeping all matters not reserved for the other Company's governing bodies.

The Management Board is obliged to fulfil all obligations incumbent upon it by virtue of the binding provisions of law, as well as binding resolutions and entitled under separate regulations of external control and management bodies of the Company's organs.

Matters outside the normal management require resolution of the Management Board; these matters mostly include:

- approving execution of orders if their value exceeds 10% of Company's share capital;
- entering into a contract with a value exceeding 10% of the share capital, and conclusion of all general contracts;
- entering into a sponsorship or advertising agreement with a value exceeding 10% of the Company's share capital;
- concluding an agency brokering or similar contract, if it may result in future commission or other form of remuneration exceeding 10% of the Company's share capital;
- concluding an agreement on transfer of Company's ownership;
- establishing a mortgage on the property owned by the Company;
- acquisition, modernization, extension, etc. of fixed assets excluding 10% of the Company's share capital, that are not included in the investment plan submitted for approval by the Supervisory Board;
- referring the case to court, administrative or arbitration court if the value of the dispute exceeds 10% of the Company's share capital.

The Management Board is obliged to submit requests to the Management Board on matters concerning establishment of new companies, joining existing companies and economic organizations as well as acquisition and sale of shares and stocks in other companies.

#### 4.4.5. Remuneration of statutory authorities

Information on paid or payable remunerations of managers and supervisors of OPONEO.PL S.A., has been disclosed in the Group's consolidated financial statements for 2021, in item 5.8.

### 4.5. DIVERSITY POLICY

OPONEO.PL S.A. strives to ensure gender, field of study, age and professional experience diversity of all its employees, especially the management and key managers.

The Company applies rules that promote the prevention of discrimination in employment. For this purpose, internal regulations have been developed to increase diversity and to ensure equal opportunities for employment among the employed. OPONEO.PL S.A., as a company with international reach, employs people of different nationalities.

### 4.6. ENTITY AUTHORISED TO AUDIT FINANCIAL STATEMENTS

On 30 July 2020, the Supervisory Board of OPONEO.PL S.A. chose HLB M2 Spółka z ograniczoną odpowiedzialnością Audit PIE Sp. z o.o (hereinafter referred to as: HLB M2) to conduct:

- A review of interim individual and consolidated financial statements prepared according to IFRS/IAS for the period 01.01.2020 – 30.06.2020.
- An audit of interim individual and consolidated financial statements prepared according to IFRS/IAS for the period 01.01.2020 – 31.12.2020.

- A review of interim individual and consolidated financial statements prepared according to IFRS/IAS for the period 01.01.2021 – 30.06.2021.
- An audit of interim individual and consolidated financial statements prepared according to IFRS/IAS for the period 01.01.2021 – 31.12.2021.

HLB M2 with its registered office in Warsaw, is entered in the list of entities authorised to audit financial statements under the registration number 4123.

Previously OPONEO.PL S.A. had used the services provided by HLB M2 Audit PIE Spółka z ograniczoną odpowiedzialnością in the scope of review and auditing of financial statements.

Remuneration of the entity authorised to audit financial statements	01.01.2021- 31.12.2021	01.01.20120- 31.12.2020
Audit of annual financial statements and consolidated financial statements	35	50
Other assurance services, including review of financial statements / consolidated financial statements	40	25
Tax advisory services	3	0
Other services (annual audit of subsidiaries' financial statements)	0	0
<b>Total</b>	<b>78</b>	<b>75</b>

#### 4.7. INFORMATION OF THE MANAGEMENT BOARD ON THE CHOICE OF AUDIT FIRM CONDUCTING AUDIT OF ANNUAL FINANCIAL STATEMENTS

On the basis of the statement issued by the Supervisory Board of OPONEO.PL S.A., on the entity authorised to audit the Company's separate annual financial statements and consolidated annual financial statements of the OPONEO.PL Capital Group, the Management Board of OPONEO.PL S.A. informs that:

- The audit firm auditing financial statements of the OPONEO.PL Company and Group for financial year 2021, that is HLB M2 Audit Pie spółka z ograniczoną odpowiedzialnością (further referred to as "Audit Firm") was selected by the Supervisory Board in accordance with the applicable provisions, including those on selection and selection procedure of the audit firm.
- Both the audit firm and members of the auditing team met the requirements for preparing an unbiased report from auditing of financial statements of the Company and the OPONEO.PL Capital Group for financial year 2021, in accordance with the applicable provisions, professional standards and rules governing professional ethics.
- The Company complies with the applicable law on rotation of audit firm and key statutory auditor and on obligatory waiting periods.
- The Company has a policy on choosing an audit firm and on provision of additional services other than auditing, including services conditionally exempted from the prohibition of provision by an audit firm, to the Company by an audit firm, its related entity or member of its network.

## 5. NON-FINANCIAL ASPECTS OF OPERATIONS OF OPONEO.PL, THAT IS OUR IMPACT ON THE SOCIETY AND ENVIRONMENT





## **INFORMATION - Company's clarification in response to legal changes on reporting non-financial data.**

This document is not a Declaration on non-financial data required by amendments in the Polish Accounting Act of 29 September 1994 (consolidated text Dz. U. [*Journal of Laws*] of 2017, item 2201, as amended) resulting from transposition of the Directive 2014/95/EU into Polish law. In 2021, OPONEO.PL does not meet the requirements, specified in the Polish Accounting Act, for preparing such a document neither at the level of the Parent company OPONEO.PL S.A. nor at the level of the OPONEO.PL Group.

However, OPONEO.PL S.A., in support of the intention to increase transparency of social and environmental information, in view of its years of activities in the spirit of sustainable development and analysing dynamic growth of the OPONEO.PL Group, decided to carry out an internal analysis and prepare this opening report in the scope of "Non-financial aspects of operations of the OPONEO.PL Group".

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

Since its establishment, OPONEO.PL S.A. carries out activities which are in line with the philosophy of responsible business and sustainable development. These activities range from managing employees through construction of offices and warehouses as well as optimisation of transportation routes to sponsorship of motor sports and charity activities. In connection with the requirements regarding reporting of non-financial data, the Company decided to prepare an opening report that sums up its activities, despite the fact that there was no such obligation as at 31 December 2021. The issues reported are also relevant to the Group companies.

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

- employment aspects,
- diversity and respect for human rights,
- preventing corruption,
- social aspects,
- environmental protection.

Each area describes the Group's policy on the basis of established and implemented documents, standards or solutions; due diligence procedures and activities of companies within the Group and their results are presented.

### **5.1. BUSINESS PHILOSOPHY**

Since the start of its operations, OPONEO.PL S.A. and its subsidiaries follow 3 key principles:

- People - the experience and commitment of the employees of the companies within the OPONEO.PL Group build their market standing and provide customers with a positive shopping experience;
- Knowledge - the OPONEO.PL Group has an extensive knowledge base of the offered goods, containing customer reviews and detailed information on the goods. This translates into informed and accurate 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 the law.

The activities carried out in accordance with the aforementioned values allow for the continuous development of the Group. Social responsibility of the OPONEO.PL Group - is primarily about caring for the high quality of employment, respecting customers' rights and promoting sports.

Tyres and their testing on the racing track is the passion of the founders of OPONEO.PL S.A. Polish Rally Championships or Rallycross racing are a great opportunity for Company's employees and customers to see how tyres perform in the most extreme conditions Sponsorship of motor sports was a natural direction for the Company. A significant part of the Company's employees come from Bydgoszcz and its region, therefore the Company's social and charity activities are directed to this region. These activities concentrate in, among others, support of sport initiatives and hobbies of children and adults.

The environmental impact of OPONEO.PL Group is mainly due to its office, warehouse and freight transport activities. The guiding principle of the parent entity is minimisation of negative influence, which is often in line with financial benefits due to enhancing the efficiency and optimisation of processes. The OPONEO.PL S.A. Group has been consistently implementing effective ecological solutions within the scope of management of office and warehouse areas and improving the routes of deliveries to customers in order to reduce the time of transport which translates into the level of gas emissions to the environment.

Top-level customer service is a natural consequence of the business model of OPONEO.PL S.A., which is also reflected in the subsidiaries. The Group implements a number of activities and processes aimed at continuous improvement, from establishing customer service standards through training of employees to quality control.

## 5.2. OUR STAKEHOLDERS

As a result of its business activities, OPONEO.PL S.A. and its subsidiaries contact and influence a number of entities, people and organisations – the so-called stakeholders. Their analysis with regard their impact on business and their interest in the organisation make it possible to establish priorities for building relations. The following groups of stakeholders are crucial for the Group's business activities and fundamental in terms of its social responsibility:

- **Employees** - are the core of any business, the quality of the customer experience and therefore the growth of the business depends on their work. Work is an important part of many people's lives. From the employees' point of view, factors such as remuneration, non-wage benefits, respect for employee rights, career development opportunities and employment flexibility are important. The high quality of the employment on offer enables the Group to attract valuable candidates.
- **Customers** - providing high quality service, attractive prices and a broad offer is a necessary but not always sufficient standard for this group of stakeholders. In the 21st century, customers are also interested in respecting consumer rights, the ethics of a company's operations and the responsibility of the business for the external environment.
- **Suppliers** - the issuer's suppliers range from global corporations to small local companies. Naturally, smaller players are in 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 sector is the need to deliver ordered goods to customers. For this reason, each company is an important customer for the cooperating courier companies.
- **Competitors** – monitoring of activities in terms of entering the market by large companies which specialise in wholesale of car parts, including tyres and Group's other products.
- **Service centres** – building a network of service partners for the purpose of improving customer experience.
- **Media** – using them for building corporate image is crucial in order to reach customers.
- **Investors** – there are two subgroups of stakeholders in this group. The first is the existing shareholders who are interested in the financial results and the impact on the external environment. The second group consists of broadly defined participants in the capital and financial market - 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 the inhabitants. On the one hand, they can be an attractive place to work and, on the other, their daily activities can affect the daily lives of people living in the immediate vicinity of the premises.
- **State institutions** – while running its business activity through its subsidiaries, OPONEO.PL Group is subject to legal regulations and control of state institutions authorised to do so. Detailed information on cooperation with this stakeholder group is provided in the chapter on Compliance.

The aforementioned stakeholder groups were 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 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 can express their opinions in direct contact with their superiors and through participation in regularly organised surveys on various issues of interest to them. Customers share their opinions in dedicated websites, and telephone conversations with consultants are recorded and evaluated. Suggestions or complaints from customers are often the source of decisions taken in order to optimise the quality of the activities carried out. The parent company's Management Board does not rule out other forms of contact with individual stakeholder groups in the future.

### 5.3. COMPLIANCE

#### 5.3.1 Taxes

In accordance with current legislation, 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 meets all the requirements stipulated by the CIT Act. Among other things, it contains information on the entity responsible for approving and implementing the tax strategy.

No administrative or judicial proceedings related to tax irregularities were pending against the company in 2021 or the previous year. The company's authorities make every effort to ensure that the activities conducted and declarations submitted comply with the applicable tax regulations.

#### 5.3.2 Conflicts of interest

In accordance with the bylaws of the board of directors of the parent company, the members of the board of directors are obliged to inform the supervisory board if a conflict of interest arises or is likely to arise. A conflict of interest is understood as, among other things, holding a position in the management or supervisory bodies of competing entities or running a business that competes with

the company. In 2021 and the previous year, none of the members of the Management Board and Supervisory Board performed their functions under conditions of conflict of interest.

### 5.3.3 Preventing corruption and reporting irregularities

OPONEO.PL S.A. has Compliance Guidelines for the prevention of corruption and a number of internal regulations applicable in the area of preventing corruption.

The Company does not accept the following actions which appear to constitute corruption or abuse:

- appropriation of property of the Company, affiliates or contractors,
- publishing incorrect data in the financial statements or improper application of accounting principles,
- promising, offering, instigation, giving financial or personal benefits,
- accepting or giving gifts in cash,
- all other wilful acts resulting in an injury to the Company or violating the existing regulations and procedures.

When holding any negotiations, concluding agreements/contracts or in relevant contacts with public authorities or business entities the employees responsible for the process should act with the knowledge and agreement of the Management Board. Any and all payments for the benefit of external entities, including donations and sponsoring, require the acceptance from the Management Board or an indicated person. Transfer of resources from Company's funds (or donations in kind) for the benefit of a political party, party member or a political committee or to a candidate for a public, regional or local office is forbidden. For confidential information within the meaning of Art. 9 of the MAR regulation, procedures required by MAR apply. An Audit Committee functions in the Company as part of the Supervisory Board. None of the Group companies or their employees were punished for corrupt activities in the reporting period, moreover, there were no reports of activities that could be considered as corruptive within the internal control system. The same situation was in 2020.

### 5.3.4 Occupational health and safety

All of the subsidiaries have occupational health and safety procedures and documents required by law. Every new employee is subject to compulsory initial OHS training and is familiarised with the risks of their position, regardless of the form of employment or service provided. In addition, all office staff receive periodic training, even though this is not required by law. The aim in this respect is to minimise the possibility of accidents to zero. No existing or potential occupational diseases have been identified. At the level of the parent company of the OPONEO.PL Group, there is an OHS committee, consisting of an OHS specialist employed by the Company, a company doctor, a chairman and an employee representative.

In 2021, there were two minor accidents at work in Group companies, compared to 0 accidents in 2020. No fatal accidents occurred.

Office workers work in modern office buildings that have fire protection and provide ergonomic working conditions. The tyre warehouses are equipped with TÜV-certified racks and bins. In addition, a sprinkler system is installed in the warehouses, an important safety feature for areas where tyres are stored. The system meets NFPA13 standards, which demonstrate a high degree of safety and quality.

### 5.3.5 Control of state institutions

Companies within the OPONEO.PL Capital Group are subject to supervision by numerous state institutions. This is due to the fact of being, among others, an employer, a market participant, a public

company, a tax payer. Among the supervisory institutions, the following should be mentioned in particular:

- Tax office;
- Social Insurance Institution (ZUS);
- Polish Financial Supervision Authority;
- Office of Competition and Consumer Protection;
- National Labour Inspectorate;
- Office of Technical Inspection;
- Personal Data Protection Office.

The authorities of companies comprising the OPONEO.PL Group exercise due diligence to ensure compliance of their operations with generally applicable laws and, where necessary, cooperate with public authorities. In addition, the Group has procedures in place for whistleblowing and protection of whistleblowers. There were no reports of non-compliance with applicable laws in 2020 and 2021. Furthermore, no Group company was sanctioned in any way for illegal activities.

#### 5.4. NON-FINANCIAL RISKS

In connection with operations of OPONEO.PL S.A., we can identify a number of non-financial risks in terms of sustainable development and responsible business, like for example:

Risk	Risk description	Management mode
<b>External and market environment as well as random events</b>		
<b>Risk attributable to seasonal nature of sales and weather conditions</b>	The market of tyre sales is characterised by high volatility. Two basic periods can be differentiated – spring and winter, that is times of tyre replacement. Additionally, weather conditions may lead to considerable shifts in this regard.	A qualified team of analysts constantly monitors sales of tyres and forecasts their fluctuations. This has influence on the number of persons working in the customer service team or involved in dispatch. The Company also sells all-season tyres which are becoming increasingly popular in Poland.  In addition, the Company sells steel and aluminium wheels which give high yield and lower seasonal fluctuations. In addition, the Group is diversifying its activities - selling tools through Rotopino.pl S.A., bicycles and bicycle accessories through Dadelo S.A.
<b>The risk of loss of property due to fire, flooding or other chance events - related to concentration of commodities in one place</b>	The logistic centre and basic warehouse facilities are located in the Bydgoszcz region. Any accidental events (fire, flood, etc.) would result in serious disruptions of continuity of deliveries to recipients, and especially in delayed deliveries. This would result in discontinuity of revenues and possible loss of some part of market.	Ongoing supervision of compliance with all fire protection and occupational health and safety standards is carried out in warehouses. A system was implemented to allow systematic backups of all information and possible immediate recovery of the IT network based on an emergency system, and also appropriate insurance contracts guaranteeing full coverage of possible losses were concluded.

## Employees and customers

### **Risk of losing qualified staff**

Due to the specific nature of the industry, highly qualified specialists play the key role in the structure, especially those with degree in computer science. When an employee leaves the company, it creates a tangible loss because it requires recruiting and training of a properly qualified replacement.

The OPONEO.PL Group runs human resource policies which encourage employees to plan their professional future in our company.

### **Risk related to real or perceived discrimination at the level of recruitment, work, promotion or determining remuneration.**

Recruitment announcements which may potentially discriminate certain groups (for example targeting a specific gender or age group) or practices for employment, promotion or remuneration which may contain the elements of discrimination put an employer in the risk of complaints and legal actions.

Following its Staff Rules, the OPONEO.PL Group avoids any form of discrimination. In practice, it also translates into creating neutral and non-discriminating recruitment announcements and also caring about equality in recruitment, promotions and determining of remuneration.

### **Risk of losing customers or damage in terms of image as a result of unprofessional service**

Customers are sensitive to the order execution process and its efficiency as well as guidance and level of customer support. There is a risk of damage to image and failure to complete a sales transaction if expectations in this regard are not met.

The Group's actions taken to prevent such risk consist in regular customer satisfaction surveys, strict quality control and also proving appropriate to personnel.

## Corruption and abuse

### **Risk related to a leak of confidential information**

A possible leak of information on current commercial terms and conditions (including policy and terms of sales and purchase from suppliers) and of customer base could deteriorate the Company's competitive position and lead to failure to reach the planned revenues.

Confidential information is made available only to top-management employees. Moreover, the scope of access to data depends on the scope of tasks of individual employees.

### **Risk connected with potential hacking of the website (loss of trust in the website)**

E-commerce activities create the potential risk of cyber-crimes, such as hacking into the system and its destruction as well as damage or denial of service.

OPONEO.PL S.A. maintains a team responsible for security of the websites and applies appropriate security systems and security procedures.

## Environmental protection and social activities

<b>Risk related to environmental protection regulations</b>	There is a risk of new environmental tax on used tyres which may be imposed on sellers of new tyres. This would slightly influence results of the Company. A company which markets tyres which come from outside of Poland is obliged to bear the costs of their future recycling.	OPONEO.PL S.A. pays the product (recycling) fees in this regard, as required by Polish law.
<b>Risk linked to the support of controversial organisations and projects</b>	Support in the form of donations and other forms of Group's involvement in activities of organisations operating on the verge of legality or highly controversial ones, e.g. of a racist character or spreading discriminating slogans.	Before any cooperation is started or support is provided, the Company collects information and carefully verifies a given organisation. The OPONEO.PL Group supports only organisations/projects which benefit local communities from the Group's region or which pursue the objectives and values which are relevant to the Group.

## 5.5. MANAGING SUSTAINABLE DEVELOPMENT

### 5.5.1. Managing people

Activities of the OPONEO.PL Group concentrate on the e-commerce market, but it would not be possible without employees, who are the greatest resource of all companies within the Group. OPONEO.PL S.A. is a Polish company which steadily expands on the European market and, due to its dynamic growth, is constantly looking for both specialists and persons who want to gain professional experience. The Company and its subsidiaries also offer possibilities for internal development through vertical and horizontal promotions and also formation of new organisational units within its structure, based on diagnosed needs and opportunities. Over 73% of the employees of the OPONEO.PL Group are employed by the Group's parent company, i.e. OPONEO.PL S.A. The breakdown of employment at OPONEO.PL S.A. by gender is presented in the table below.

## Employment in OPONEO.PL S.A.

Total number of employees gender	31.12.2020 L	31.12.2021 L	Change (%)	31.12.2020 K	31.12.2021 K	Change (%)
Management Board and Supervisory Board	9	9	0.00%	1	1	0.00%
Directors and managers	7	6	-14.29%	5	4	-20.00%
Other employees	275	255	-7.27%	135	126	-6.67%
<b>Total</b>	<b>291</b>	<b>270</b>	<b>-7.22%</b>	<b>141</b>	<b>131</b>	<b>-7.09%</b>

As part of its human resources management, the Company desires to employ and keep motivated workers who have the expected competencies and qualifications. In the recruitment process OPONEO.PL S.A. considers solely substantive aspects, following the principle of equal opportunities when concerning current staff needs specified by individual teams. For more details, please see the chapter on diversity and respects for the rights of workers.

Employee turnover at OPONEO.PL S.A. gender	31.12.2020 L	31.12.2021 L	Change (%)	31.12.2020 K	31.12.2021 K	Change (%)
Number of new hires	64	56	-12.50%	30	26	-13.33%
Number of persons who terminated their work,	90	80	-11.11%	28	36	28.57%
<b>Staff turnover rate</b>	<b>30.93%</b>	<b>29.63%</b>	<b>-----</b>	<b>19.86%</b>	<b>27.48%</b>	<b>-----</b>

Depending on the department, internal recruitment as well as recruitment by recommendation are used - especially for highly specialised positions, e.g. in the IT department. Moreover, OPONEO.PL S.A. takes actions aiming at supporting recruitment, like for example:

- Presentation of the company and possible vacancies, competition for graduates of the Complex of Automotive Schools and also continuing of cooperation with the school through posting job offers on the school website.
- Cooperation with secondary schools and universities in the Kuyavian-Pomeranian Voivodship and also with the Lublin Catholic University of John Paul II on HR activities, including student placements and job offers for positions which require fluency in foreign languages.

Employees receive monthly salary on the basis of the rate specified in the contract. There is allowance for overtime hours. Equal pay for equal work or for work of equal value is the basic principle for remuneration, which covers all remuneration components. The Company has no Company Social Benefits Fund and does not pay holiday benefits.

In everyday work, emphasis is put on personal development of employees, and the responsibility for this is shared by an employee and his employer. Dedicated departments and persons participate in thematic training. Additionally, externally financed training courses are conducted. New employees, especially in Customer Service Departments (CSD), undergo induction which allows them to get to know the company and learn about customer service standards. Product training courses are carried out in cooperation with manufacturers before each new season. These training courses cover technical parameters, test results, interesting industry facts and also novelties for a given season. Internal training covers broadly defined knowledge on models of tyres, wheels, treads, approval and also customer service – including discussing the principles for assessing conversations with customers. Such training is obligatory for each new CSD worker. Organisation of meetings on a race



track, where team integration, improvement of driving techniques, product-related training and tests of selected tyres were carried out, was a great attraction which was related to the nature of the sold product.

Motivation and satisfaction of employees are key elements for the Company's growth. Special emphasis is put on friendly atmosphere and good relations at work. The Company cares about diversity and values individuality of each employee, which translates into shaping individual career paths. Horizontal promotions and internal rotations take place in OPONEO.PL S.A. Employees change departments and teams or take up new areas of competence under newly-created teams initiated by them. Clear objectives are being set, and employees are taken responsible for their areas of work, while they receive support by means of appropriate tools. Employee feedback is collected regularly within individual teams. Employee commitment surveys were carried out in CSD, which translated into improvement of bonus systems in individual teams. Moreover, under the "Review of work and development" employees receive feedback from their superior on their work and further development.

OPONEO.PL S.A. provides its employees with the following benefits:

- Tyre replacement for employees.
- Favourable purchasing conditions concerning bicycles and tyres for employees.
- In the building the staff can use the following facilities:
  - restaurant,
  - relaxation zone in the building,
  - gym, fitness zone,
  - breastfeeding room for young mothers,
  - facilities for disabled (lifts, wide passages, toilets).

The OPONEO.PL Group places much emphasis on the quality of its employment. The preferred form of employment is the contract of employment, but due to the specificity of individual positions and the needs of employees there are also other forms of cooperation, such as civil law contracts. The tables below present information on the agreements concluded between the Group's leading company, OPONEO.PL S.A., and its employees. In addition, the number of part-time employees and information on how many employees earn the minimum wage are detailed. The Oponeo.pl Group aspires to be an attractive employer and therefore strives to offer the most favourable conditions possible.

Number of persons on contracts other than employment in OPONEO.PL S.A.	31.12.2020	31.12.2021	Change (%)
Persons cooperating on the basis of civil law contracts (contract for specific work, contract of mandate)	51	63	23.53%
Persons working on the basis of appointment contracts (Management Board)	5	5	0.00%

Number of employment contracts by type at OPONEO.PL S.A.	31.12.2020	31.12.2021	Change (%)
Full time	421	388	-7.84%
Part-time	6	8	33.33%

	31.12.2020	31.12.2021	Change (%)	31.12.2020	31.12.2021	Change (%)
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gender	L	L		K	K	
Minimum wage (per month)	2,600	2,800	7.69%	2600	2,800	7.69%
Number of employees earning the minimum wage (per month)	5	4	-20.00%	0	0	0.00%

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

OPONEO.PL S.A. gender	31.12.2020 L	31.12.2021 L	Change (%)	31.12.2020 K	31.12.2021 K	Change (%)
Number of persons who took maternity/paternity leave	10	15	50.00%	27	16	-40.74%
Number of persons who returned to work from maternity/paternity leave in the period	10	15	50.00%	25	15	-40.00%
<b>Return to work rate</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00%</b>	<b>0.93</b>	<b>0.94</b>	<b>1.07%</b>

#### 5.5.2. Diversity and respect for human rights

Respect of human dignity, equality and diversity, especially of Group's employees, business partners and customers, is one of key principles in Group's everyday activities. Mutual respect, good atmosphere at work and the highest customer service standards are the basics for everyone working in the Group. Internal regulations on equality, diversity and human rights are based on the existing Polish legislation, like the Constitution of the Republic of Poland, Labour Code and Civil Code. The basic documents governing the Group's approach in this respect are the Work Regulations and the Remuneration Regulations.

#### Employees

The OPONEO.PL Group strives to ensure diversity of all its employees, especially the management and key managers. The Company applies rules that promote the prevention of discrimination in employment. For this purpose, internal regulations have been developed to increase diversity and to ensure equal opportunities for employment among the employed. When concerning the aspects of diversity, like field of education or level of professional experience – recruitment is always based on specific requirements for a given position, both in the scope of specific professional qualifications and specific soft skills.

#### Information on the participation of women and men in the Management Board and the Supervisory Board

Following the principle of "Code of Best Practice for WSE Listed Companies" OPONEO.PL S.A presents the share of women and men its Management Board and Supervisory Board.

### Management Board of OPONEO.PL S.A.

Management Board of OPONEO.PL S.A. gender	31.12.2019	31.12.2020	31.12.2021	% of share
Women	0	0	0	0%
Men	5	5	5	100%
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	

### The Supervisory Board of OPONEO.PL S.A.

The Supervisory Board of OPONEO.PL S.A. gender	31.12.2019	31.12.2020	31.12.2021	% of share
Women	1	1	1	20%
Men	4	4	4	80%
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	

The aim of OPONEO.PL S.A. is to create working environment which is characterised by respect for human rights and which is free from any signs of discrimination and unequal treatment. At the start of their employment, each new employee of OPONEO.PL S.A. is informed on the obligation of equal treatment in the scope of establishment and termination of the employment relationship conditions of employment, promotion and access to training aimed at raising professional qualifications, regardless of any aspects of diversity, including the legal form of employment. The Group has a zero tolerance policy with respect to discrimination and mobbing, making the employees aware how these phenomena may look like in practice. Relevant provisions are included in Work Regulations, collected in one of its appendices and handed over to each newly-employed worker.

The OPONEO.PL Group does not in any way restrict freedom of association of workers and their rights to form unions and association under Polish law. Currently, there are no trade unions in the Group, and there is no collective agreement in force.

#### 5.5.3. Our customers

Customer service is one of the key priorities. The Group's management would like the customers to be satisfied with their purchase in a shop, and to be sure that the seller cares for their road safety selling products of the best quality. Oponeo.pl is also a place where the customers will find professional expertise concerning tyres, current tests, opinions of other users and relations of the sport events supported by the Company. Also in the case of other online shops belonging to the group - customers can count on detailed product descriptions and an extensive database of opinions of other customers.

Each employee starting to work in OPONEO.PL S.A. Customer Service Department has to become familiar with standards concerning quality of customer service. The Company has established a Book of Standards, that is the accepted set of applicable rules regarding external and internal customer service. Also, a new employee receives all necessary information, rules and guidance notes during initial training and he/she is regularly checked whether he/she uses them during everyday work. Moreover, as part of improving the quality of our customer service and controlling the accepted standards, conversations between the Company's employees and customers are recorded and listened to on a regular basis. One of the elements of bonus system is an assessment, which is determined individually for each team. For us, it is an important source of feedback concerning the

customers' needs related to providing services as well as any potential training needs of the Company's employees.

Each customer can assess the service, talk with a Company's employee and file a complaint. Each time customers receive a survey with a request for evaluation on the e-mail address provided. Additionally, the customers can use mailboxes: [info@oponeo.pl](mailto:info@oponeo.pl) / [reklamacje@oponeo.pl](mailto:reklamacje@oponeo.pl) / [uwagi@oponeo.pl](mailto:uwagi@oponeo.pl) to which they can send their questions, opinions and remarks. Both the surveys and mails sent to mailboxes are regularly checked and analysed. The Company has specific complaint procedures described on a publicly available website: <https://www.oponeo.pl/reklamacje>. Within the scope of the claim procedure, each customer receives, on an ongoing basis, email notifications concerning a stage of the claim procedure and further steps.

## 5.6. COMMUNITY INVOLVEMENT

The aim of OPONEO.PL S.A. is to be good and valued neighbour within the community in which it operates. At the same time, the Company strives for building reliable image within the industry by undertaking various sponsoring measures related with motor sports.

The Company's activities for the benefit of the community therefore focus on supporting the development of sports and sporting initiatives and the passions of children and adults.

Additionally, the Company undertakes various activities within the local community in the territory of Bydgoszcz and in the neighbourhood.

### **Supporting development of motor sports**

The main area of social involvement of OPONEO.PL S.A are initiatives concerning development of motor sports. The beginning constitutes organisation of 4 free training courses called "Bezpieczna Jazda z OPONEO" [Safe driving with OPONEO] including theoretical training (correct position behind the wheel, impact of vehicle elements on safe driving) and practical contests - slalom, correct cornering, simulation of skids, Stewart test, braking on loose surfaces avoiding an obstacle. Interest in motor sports is a natural development path for a sales leader of tyres through the internet. The Company cooperates with OPONEO Motorsport [OPONEO Motorsport Association] , whose main objective is to restore rallycross in Poland- organisation of competitions, training of future racers and referees. In 2020, due to the epidemic, most of the rounds of the OPONEO Polish Rallycross Championship did not take place. However, in 2021, the organisation of events related to the Polish Rallycross Championship was resumed. More details: <http://www.rallycross.com.pl/>.

### **Supporting sport initiatives and passions of children and adults**

The next area of the Company's involvement is cycling, which is in line with development of one of the OPONEO.PL S.A companies, namely Dadelo.pl S.A., which sells bikes and bike accessories. In recent years, OPONEO.PL S.A. has also supported such sports activities as volleyball (KS Pałac), football (Fundacja Akademia Piłkarska Tęcza Bydgoszcz, Budowlany Klub Sportowy), calisthenics (Calisthenics Academy - Eliminations for the World Cup in Street Workout 2019) and handbike. ROTOPINO.PL S.A. supported OSP Bydgoszcz - Fordon in 2021 by donating a Makita circular saw. The equipment was added to the Fordon firefighters' fighting vehicle.

Moreover, OPONEO.PL S.A. is a sponsor of Rafał Wilk - a disabled athlete in preparation for and on his way to Tokyo 2020 Paralympic Games (<http://www.rafalwilk.com/>).

OPONEO.PL S.A. takes individual approach to each sponsorship offer. The Company, by supporting sportsmen and enthusiasts of long travels, tries to present OPONEO.PL not only as an online shop but also as a company which helps to develop people's hobbies.

In recent years, OPONEO.PL S.A. has supported a number of travels abroad, including but not limited to "Bezgranic 4x4" travellers who organise OFF-road trips, a couple of travellers "Szpilki na Mapie", who spent over 3 years travelling through Africa and South America as well as Arkady Fiedler within the "Electric Explorer African Challenge" project, that is the first travel through Africa by electric car in order to promote electromobility.

A separate area of OPONEO.PL S.A.'s involvement is support of children and needy people in the local community.

"OPONEO Wakacje" [*OPONEO holidays*] is free holiday training for children under 13, organised in cooperation with the Bydgoski Klub Sportowy "Chemik" [„Chemik” Bydgoszcz Sport Club]. The aim of the project is to activate children through sport and provide the possibility to spend their time during holidays in an active way. In 2016, the initiative took the form of a Polish nationwide action called "OPONEO wspiera młodych" [*OPONEO supports the youth*]. Its aim was to reach smaller clubs in Poland and support them financially to help developing love for sports among the youngest. The 2021, 2019, 2018, 2017 and 2016 editions each had 350-450 participants. The Company funded the total of 698 sets of kits for young players of football clubs.

In 2021, OPONEO.PL S.A. also provided the volunteer fire department in Moszczenica, which provided assistance to seniors during a pandemic, with sets of tyres. In 2021, OPONEO.PL S.A. donated tyres to the Voivodship Ambulance Service in Bydgoszcz and to OSP Lubiesz firefighters.

Dadelo S.A. is a partner of the educational campaign "150 cm dla rowerzysty" (150 cm for a cyclist) aimed at promoting in the society the observance of the rules of road safety, with emphasis on the safety of cyclists. The campaign promotes the observance by drivers of a distance of at least 150 cm when overtaking cyclists. This is supposed to improve the safety of cyclists and drivers on the roads. In addition, Dadelo S.A. cooperates with the professional cyclist Bartosz Huzarski. Dadelo S.A. financially supports his career. In the online shop you can find expert materials and products marked as recommended by Bartosz Huzarski. This cooperation allows, on the one hand, the sporting development of this athlete and, on the other hand, provides Dadelo customers with access to expert knowledge.

## 5.7. ENVIRONMENTAL PROTECTION

Impact on the Company's environment is mainly its office and warehouse activities as well as transport of wheels. The guiding principle of the Company is minimisation of negative influence, which is often in line with financial benefits due to enhancing the efficiency and optimisation of processes.

OPONEO.PL S.A. has been consistently implementing effective ecological solutions within the scope of management of office and warehouse areas. When expanding the registered office by the next office building, the Company consistently used the ecological energy sources which supply the high-performance central heating system as well as air conditioning and ventilation systems. A few dozen of geothermal boreholes were made and using a lower spring, a system of heat pumps with heating power of approx. 500 kW was started. Window woodwork with increased thermal and sound insulation index was used in the new building, and in 2018 the woodwork was replaced also in old buildings. Additional pro-ecological solutions in the new building consist in using mechanical

ventilation system with heat recovery and increasing of insulation of wall barriers including walls, roof and floors. Investment has also been made in photovoltaic solutions. The pilot photovoltaic system 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 external lighting on the Company's premises was upgraded to LED sources in its entirety, along with automatic light intensity control and motion detection. The new, enlarged Company's premises were illuminated by means of LED lighting, and the existing external lighting was replaced. At the same time, modernisation of lighting system of the existing buildings, which consisted in replacement of light fittings by energy-saving ones, was carried out. Within the framework of the replacement, 300 pieces of glow lamp fittings of 72W/pc were dismantled and replaced by 290 pieces of LED light fittings of 40W/pc.

In 2021, the project "Paseka Podleśnia" (apiary on the edge of woodland) was started. As part of the project, 10 bee hives were built near the headquarters of OPONEO.PL Group, which are monitored by dedicated bee hive sensors. A flower meadow has been sown to provide the bees with the right environment, so that they have adequate access to the flower nectar necessary for honey production around the apiary. 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, 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 Consumption of electricity, heat, natural gas and water

The consumption of electricity, heat, gas and water is related to the daily operations of the companies within the OPONEO.PL Group. It is divided into office work and warehouse work. Electricity is mainly used for room lighting and to power computers. Natural gas is used to heat a warehouse located in the Bydgoszcz Industrial Park. The following table provides information on the energy consumption of each source. Non-renewable energy sources also include gas oil, used in generators. The power generators are not used in day-to-day operations, they provide a safety net in case the primary source of electricity fails. For maintenance purposes, the generators are started up once a month, for which a small amount of gas oil is used.

In order to present the energy consumption in a more transparent way, the energy consumption rates of the different sources have been calculated in relation to the revenue and the number of tyres sold. Of course, tyres are not the only commodity offered by the group, but they are the dominant source of revenue. The proposed indicators provide information on how much energy from individual sources the Group needs to consume to generate one million PLN in revenue or sell one tyre.

Energy consumption in the organisation	unit units	2020	2021	change
Heating consumption	GJ	63.82	117.65	84%
Cooling consumption	GJ	17.55	1,062.71	5955%
Natural gas consumption	GJ	4,931.21	6,114.03	24%
Renewable energy consumption (PV)	MWh	18.45	41.80	127%
Electricity consumption	MWh	2,318.25	1,839.17	-21%
<b>Total energy consumption</b>	<b>MWh</b>	<b>2,336.70</b>	<b>1,880.97</b>	<b>-20%</b>

Energy intensity indicator	unit units	2020	2021	change
Renewable energy per 1 million PLN of revenue	kWh/1 million PLN revenue	17.35	30.13	74%
Energy from non-renewable sources per tyre	kWh/tyre	0.61	0.46	-25%
Non-renewable energy per 1 million PLN of revenue	kWh/1 million PLN revenue	2,180.32	1,325.55	-39%
Energy from all sources per tyre	kWh/tyre	0.62	0.47	-24%
Energy from all sources per 1 million PLN of revenue	kWh/1 million PLN revenue	2,197.67	1,355.67	-38%

Companies within the OPONEO.PL Group use water mainly for sanitary purposes. Therefore, the amount of wastewater discharged is equal to the amount of water consumed. One source of water for the companies is the municipal water supply. In addition, there is a storage reservoir on the premises of the OPONEO.PL Group. The water collected in it is used to water the lawns.

Water consumption and wastewater discharged	unit units	2020	2021	change
Water consumption	cubic meters	6,174.07	5,718.50	-7%
Total wastewater discharged	cubic meters	6,174.07	5,718.50	-7%

### 5.7.2 Greenhouse gas emissions

Greenhouse gas emissions by companies within the Group take place directly and indirectly. The first one is related to the daily operations and functioning of office buildings and warehouses. Direct greenhouse gas emissions were estimated based on electricity, gas and heat consumption on the basis of KOBiZE guidelines. The source data for the calculations were invoices from the suppliers of the above mentioned utilities. 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 Group operate in the e-commerce sector. Consequently, they use courier companies to deliver the ordered goods to the customers. Indirect greenhouse gas emissions were estimated based on internal data containing customer order information. The data model used data on the delivery postcode, the postcode of the warehouse from which the order was shipped and the shipping weight. Routes and order weights were calculated on this basis. Scientific sources give different values for carbon dioxide emissions per tonne of goods per kilometre of road transport. Those proposed by the researchers range from 45 to 62 g/km/tonne<sup>26</sup>. For precautionary reasons, the larger of these values was used in the calculations. It should be borne in mind that the data on scope 3 represent only an estimate of greenhouse gas emissions, since it is not possible to investigate the exact routing and fuel consumption of the delivery trucks. However, despite these limitations, the data presented can provide valuable information to the readers of this report.

Scope	unit units	2020	2021	change
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<sup>26</sup>Sources:

DTU: [https://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: <https://www.ecta.com/wp-content/uploads/2021/03/ECTA-CEFIC-GUIDELINE-FOR-MEASURING-AND-MANAGING-CO2-ISSUE-1.pdf>, January 2022



<b>Scope 1</b>				
Emissions from fuel use in buildings and installations	Tonnes of CO2	273.24	338.78	24%
<b>Scope 2</b>				
Emissions resulting from the purchase of electricity	Tonnes of CO2	1,773.46	1,407	-21%
Emissions resulting from the purchase of heating	Tonnes of CO2	3.54	6.52	84%
<b>Scope 3</b>				
Emissions resulting from the sale of goods	Tonnes of CO2	6,909.33	7,787.72	13%
<b>GHG emissions in total</b>	Tonnes of CO2	8,959.57	9,539.98	6%
<b>Indicators</b>				
GHG emissions per tyre sold	kg CO2/tyre	2.37	3.00	26%
GHG emissions per PLN 1 million revenue	kg CO2/PLN 1 million of revenue	8,426.50	8,500.00	1%

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

#### Demand for final energy and emission of CO2\*

Energy carrier	Pre-modernization situation		Post-modernization situation	
	Demand for final energy [GJ/year] or [MWh/year]	Amount of emission [MgCO <sub>2</sub> /year]	Demand for final energy [GJ/year] or [MWh/year]	Amount of emission [MgCO <sub>2</sub> /year]
<b>Building 1</b>				
Electricity	467.28 GJ	372.98	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	199.30	229.85 GJ	183.42
<b>Total</b>	<b>738.78 GJ</b>	<b>589.55</b>	<b>647.02 GJ</b>	<b>589.55</b>

\*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 a result of the energy audit carried out in 2017, the Company has implemented a number of measures aimed at thermal efficiency improvement projects selected on the basis of an assessment of the technical condition. In order to reduce heat loss in buildings resulting from transmission through external walls, the façade was insulated by means of composite (insulating) panels. Additionally, as part of modernisation of the heating system, the warehouse was connected to the heat pump which is installed in the neighbouring office building. This allowed for using the heat energy excess from geothermal source during winter in order to heat up the neighbouring

warehouse. The result of connecting the warehouse to the heat pump was elimination of heating oil usage. The environmental effect is reducing emission of harmful substances, and the social effect is improving working conditions of employees and other people staying in the modernised building.

Replacement of common fixtures to water saving fixtures was carried out in the old building. As a result of the renovation, the fixtures in all washing facilities (8 pcs.) were replaced by automatic ones with electric controls and flow rate limiters which reduce water usage/cycle. Moreover, installation of the irrigation system of green areas supplied with precipitation water from roofs is planned. Disposal of precipitation water from car parks after its pre-treatment to municipal storm water drainage is realised. A separator reduces the amount of oil-derivative pollution contained in precipitation water collected from car parks. Waste is sorted throughout the Company premises.

In the complex of buildings located at 17 Podleśna Street in Bydgoszcz, an energy audit of the buildings is carried out regularly every 4 years. This includes office buildings and a warehouse. This is to verify the impact on the external environment of the operating activities carried out by Group companies at this location. The audit performed in 2021 analysed the impact of starting up a photovoltaic system. Information on the amount of energy obtained from this investment can be found in the table presenting electricity consumption.

The Company strives for improving delivery routes of tyres to customers in order to reduce the time of transport and length of routes, which translates into emission levels of fumes to the environment. In conjunction with huge volumes of goods sent from the Company's warehouse, a decision of decentralisation of logistics activities was made and, a new logistics centre was opened in Siechnice near Wrocław. This warehouse serves clients from south-western Poland. What is more, in connection with burdensomeness of transport for the local community, the distribution centre in Bydgoszcz was moved to industrial park near the ring road to the motorway and, thanks to that, the number of trucks driving through Bydgoszcz was reduced.

#### Marketed waste, recycling and disposal

The OPONEO.PL Group generates mainly waste consisting of plastic and cardboard packaging. According to legal requirements, a certain proportion of this waste must be recycled or recovered. A refuse compactor is used to reduce the volume of waste, which enables waste collection to be carried out at greater intervals. The following table shows data on marketed as well as recycled and recovered waste. Waste management services are provided by external entities.

Type of waste	unit units	2020	2021	change
<b>Marketed waste and goods</b>				
Tyres	tonne	14,768.87	11,241.45	-23.88%
Paper and cardboard packaging	tonne	84.49	26.03	-69.19%
Plastic packaging	tonne	21.19	17.75	-16.21%
Wooden containers	tonne	36.04	0.00	-100.00%
<b>Recycled and recovered waste</b>				
Recycling of packaging waste	tonne	34.33	34.77	1.29%
Recovery of packaging waste	tonne	4.63	3.93	-15.28%
Recovery and recycling of tyres	tonne	11,076.66	8,431.09	-23.88%
Sale of waste paper	tonne	10.06	23.24	131.01%

OPONEO.PL S.A. is obliged to reprocess tyres. The table below presents data on the number of tyres collected and sent for recycling.

Recycled tyres	2020	2021	change
Number of tyres collected from fitting stations	177,679	179,693	1.13%
Number of tyres sent for recycling	4,900	5,000	2.04%

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## **APPROVAL FOR PUBLICATION**

The Management Board's Report on operations was approved for publication by the Management Board of OPONEO.PL S.A. on 06 April 2022.

**Signatures of persons representing the Company:**

**Dariusz Topolewski**

President of the Management Board

**Michał Butkiewicz**

Member of the Management Board

**Maciej Karpusiewicz**

Member of the Management Board

**Ernest Pujszo**

Member of the Management Board

**Wojciech Topolewski**

Member of the Management Board

**Bydgoszcz, 06 April 2022**

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