



Activity Report of the Management Board for 2023

TABLE OF CONTENTS

LETTER OF THE PRESIDENT OF THE MANAGEMENT BOARD	3
ABOUT OPONEO.PL GROUP	5
SELECTED FINANCIAL DATA	7
1. MACROECONOMIC SITUATION AND THE E-COMMERCE SECTOR	10
1.1. ECONOMIC GROWTH RATE	10
1.2. FINANCIAL MARKET	12
1.3. AUTOMOTIVE MARKET	13
1.4. TYRE MARKET	13
1.5. MARKET OF TOOLS AND DIY	14
1.6. BICYCLE MARKET	14
1.7. E-COMMERCE MARKET	15
1.8. LEGAL CHANGES	16
2. COMMENTARY TO THE RESULTS OF THE OPONEO.PL GROUP AND OPONEO.PL S.A.	18
2.1. MAIN FACTORS AFFECTING THE FINANCIAL RESULT	18
2.1.1. <i>OPONEO.PL Group</i>	18
2.1.2. <i>OPONEO.PL S.A.</i>	22
2.2. FINANCIAL STANDING	26
2.2.1. <i>OPONEO.PL Group</i>	26
2.2.2. <i>OPONEO.PL S.A.</i>	27
2.3. CASH FLOWS	29
2.3.1. <i>OPONEO.PL Group</i>	29
2.3.2. <i>OPONEO.PL S.A.</i>	30
2.4. CHANGES IN EQUITY	31
2.4.1. <i>OPONEO.PL Group</i>	31
2.4.2. <i>OPONEO.PL S.A.</i>	34
2.5. FINANCIAL RATIOS	35
2.5.1. <i>OPONEO.PL Group</i>	35
2.5.2. <i>OPONEO.PL S.A.</i>	37
2.6. OTHER FINANCIAL INFORMATION	38
2.6.1. <i>Borrowings and loans</i>	38
2.7. OUTLOOK FOR OPONEO.PL GROUP AND OPONEO.PL S.A.	42
2.7.1. <i>External factors affecting the results</i>	42
2.7.2. <i>Planned measures</i>	44
3. ACTIVITIES OF THE OPONEO.PL GROUP IN 2023	47
3.1. STRUCTURE OF OPONEO.PL GROUP	47
3.2. STRUCTURE OF SALES OF THE OPONEO.PL GROUP	48
3.3. ACTIVITIES OF SUBSIDIARIES INCLUDED IN THE OPONEO.PL GROUP	50
3.3.1. <i>OPONEO.PL S.A.</i>	50
3.3.2. <i>Activities of other companies</i>	52
3.4. KEY BUSINESS RISKS	55
3.4.1. <i>Financial risk</i>	55
3.4.2. <i>Risk associated with the macroeconomic situation</i>	56
3.4.3. <i>Strategic risk</i>	56
3.4.4. <i>Operational risk</i>	56
3.4.5. <i>Legal risk</i>	57

3.4.6.	<i>Geopolitical risks</i>	57
3.5.	CUSTOMER RELATIONS AND COOPERATION WITH SUPPLIERS	58
3.6.	HEADCOUNT	59
3.7.	OTHER INFORMATION	59
3.7.1.	<i>Disputable cases</i>	59
3.7.2.	<i>Transactions with related parties</i>	59
4.	CORPORATE GOVERNANCE	61
4.1.	PRINCIPLES AND SCOPE OF APPLICATION OF CORPORATE GOVERNANCE	61
4.1.1.	<i>Set of corporate governance principles</i>	61
4.1.2.	<i>Waiver of application of corporate governance rules</i>	61
4.2.	CONTROL AND RISK MANAGEMENT SYSTEMS IN THE PREPARATION OF FINANCIAL STATEMENTS	67
4.3.	SHARES AND SHAREHOLDING	68
4.3.1.	<i>Structure of shareholding</i>	68
4.3.2.	<i>Shareholding of the supervisory and management staff</i>	70
4.3.3.	<i>Buy-back of treasury shares</i>	71
4.3.4.	<i>Special control powers and restrictions on voting rights and transfer of ownership of securities</i>	71
4.3.5.	<i>Share quotations</i>	71
4.3.6.	<i>Dividend</i>	72
4.4.	STATUTES AND STATUTORY AUTHORITIES	72
4.4.1.	<i>Amendment of the Articles of Association</i>	72
4.4.2.	<i>General Meeting</i>	72
4.4.3.	<i>Supervisory Board</i>	74
4.4.4.	<i>Management Board</i>	78
4.4.5.	<i>Remuneration of statutory authorities</i>	79
4.5.	DIVERSITY POLICY	80
4.6.	ENTITY AUTHORISED TO AUDIT FINANCIAL STATEMENTS.	80
4.7.	INFORMATION OF THE MANAGEMENT BOARD ON THE SELECTION OF THE AUDIT FIRM AUDITING THE ANNUAL FINANCIAL STATEMENTS	80
5.	MANAGEMENT OF SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY IN OPONEO.PL	83
5.1.	ACTION PHILOSOPHY	83
5.2.	OUR STAKEHOLDERS	84
5.3.	COMPLIANCE	85
5.3.1	<i>Taxes</i>	85
5.3.2	<i>Conflict of interest</i>	85
5.3.3	<i>Anti-corruption and whistleblowing</i>	85
5.3.4	<i>Occupational Health and Safety</i>	86
5.3.5	<i>Control of state institutions</i>	87
5.4.	NON-FINANCIAL RISKS	87
5.5.	SUSTAINABLE DEVELOPMENT MANAGEMENT	89
5.5.1.	<i>Human resources management</i>	89
5.5.2.	<i>Diversity and respect for human rights</i>	92
5.5.3.	<i>Our customers</i>	93
5.6.	SOCIAL INVOLVEMENT	93
5.7.	ENVIRONMENTAL PROTECTION	94
5.7.1	<i>Electricity, heat, gas and water consumption</i>	95
5.7.2	<i>Greenhouse gas emissions</i>	96
5.7.3	<i>Waste discharged on the market, recycling and disposal</i>	98

LETTER OF THE PRESIDENT OF THE MANAGEMENT BOARD

Ladies and Gentlemen,

I have the pleasure to provide you with the annual report on the activities of the OPONEO.PL Group and OPONEO.PL S.A. for 2023. The sales and financial results presented in the report confirm that 2023 was a good year for the Group as a whole. Despite the challenging economic environment and inflation, we generated a higher result for our Shareholders than last year.

The positive customer experience in the scope of online shopping translates into continued growth in the e-commerce market. The OPONEO.PL Group is benefiting from these trends by increasing its market share in online trade year by year. Building a strong and recognisable brand on the basis of high customer quality and a broad product offer, as well as the functionality of the store, is of key importance to achieving better results demonstrated by OPONEO.PL.

In 2023, OPONEO.PL S.A. generated revenues of PLN 1,511,916 thousand and consequently exceeded one and a half billion in sales revenue. The Company's net profit amounted to PLN 58,727 thousand, an increase of almost 45% compared to last year.

The revenue of OPONEO.PL Group reached PLN 1,871,968 thousand, rising by 10.4% compared to the previous year. The Group generated the total consolidated net profit of PLN 54,494 thousand. It means an increase of almost 29% YoY.

Revenue generated in the car accessories segment amounted to PLN 1,556,693 thousand and accounted for 83.1% of the Group's total sales revenue. In 2023, we sold 4,544.8 thousand tyres and 154.1 thousand rims in Poland and abroad.

The Group's sales revenue on the Polish market amounted to PLN 1,545,211 thousand, an increase of 11.9% YoY. The share of domestic revenues accounted for 82.5% of OPONEO.PL Group's total sales revenues. Sales in foreign markets increased by 3.8% and amounted to PLN 326,757 thousand.

The core business segment of the OPONEO.PL Group is the sale of tyres and rims and car accessories. The Group is also developing sales in the bicycle and tool segments.

The subsidiary, Dadelo S.A. operating in the bicycle segment, recorded a particularly good year, increasing total revenues by 61.3% to the amount of PLN 189,087 thousand. It has been another year of very dynamic growth for this company and a significant increase in its market share.

We are aware that the continuous improvement of our sales processes is reflected in customer feedback and loyalty. The wide range of products on offer, combined with good sales and after-sales service, is the key to increasing market share. In our e-stores, customers find high-quality products, combined with expert service and professional advice. Customer feedback and their opinions collected by the Opineo portal confirm the quality of our work. The subsidiaries' e-shops are also on the top of the service quality rankings every year.

The Group's successively implemented development strategy yields tangible effects, as the current sales and financial results show. All our activities are correlated with the developing shopping trends in the e-commerce market. The speed and security of online shopping has convinced more and more customers to use this form of shopping. Following the changes in the e-commerce market, we are constantly improving our tools using the latest technologies, constantly supplementing our know-how and training our employees to stay ahead of the competition and build the Company value for

our Shareholders. We have been modernising and developing our logistics facilities, increasing our sales potential, reaching new customers faster and faster.

In 2024, we aim to maintain the positive sales trend, exceeding further record sales levels where possible and maximising performance. Despite rather unfavourable economic environment, we wish to maintain possible high levels of profitability.

I would like to express my sincere gratefulness to all stakeholders of the OPONEO.PL Group, our customers, contractors and employees who have contributed to the development of the Group and I have the pleasure to invite you to read the Annual Report for 2023.

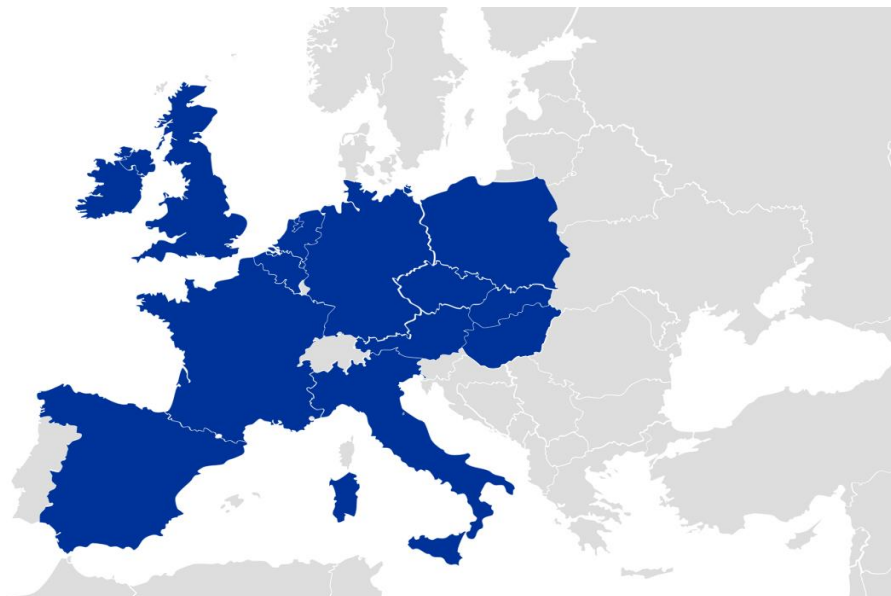
Yours sincerely,

Dariusz Topolewski

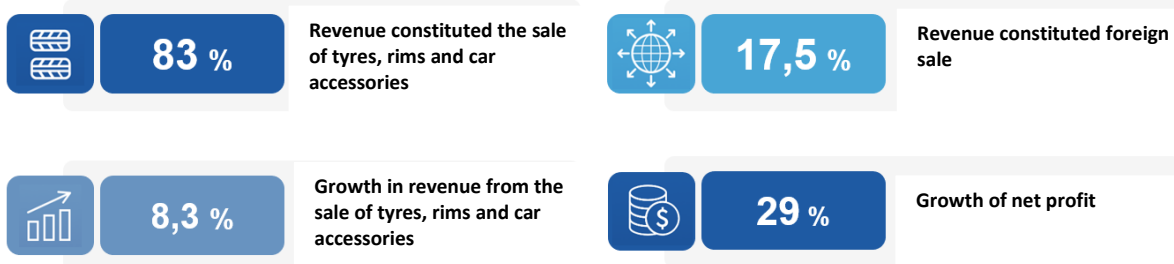
President
of the Management Board

ABOUT OPONEO.PL GROUP

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



In 2023, the OPONEO.PL Group generated the revenue of PLN 1,871,968 thousand, which represented a growth of 10.4% compared to 2022.



The Company debuted on the WSE in 2007, with a capitalisation of PLN 684.3 million as at 31 December 2023.

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

Condensed information on the financial results of OPONEO.PL Group for 2009-2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues in PLN million	1872	1695	1515	1063	962	843	708.5	545.8	416.5	322.7	259.1	207.1	171	144.1	85.7
Profit/loss on sales (PLN m)	370.8	334.7	309.1	217.2	187	161.9	131.4	95.5	72.3	53	39.6	33.6	32	27.7	12.5
Result on operating activities in PLN million	63.9	63.3	79.5	36.9	28.7	24.4	15.5	23.6	11.2	4.4	4.2	-1.1	6.2	9.4	1.7
Gross result in PLN million	68.9	52.7	78.5	34.8	30.3	24	21.3	26.7	10.9	4.7	3.7	2	10	9.5	2.5
Net result in PLN million	54.5	42.3	62.8	32.1	20.2	16.4	17.5	15.9	10.3	4.2	3.4	1.4	7.5	7.4	1.9
Earnings per share in PLN	3.91	2.92	4.32	2.3	1.45	1.2	1.2	1.14	0.74	0.3	0.24	0.1	0.57	0.59	0.15
Dividend paid per share in PLN (in a given year from previous year's profit)	2	1.36	1.00	0.1	0.4	0.35	0.2	0.1	0.05	0.03	0.03	0.2	0	0.01	0

SELECTED FINANCIAL DATA

Selected financial data for OPONEO.PL Group	in PLN thousand		in EUR thousand	
	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022
Net revenues on sales of products, goods and materials	1,871,968	1,695,103	413,384	361,560
Profit (loss) on sales	370,809	334,651	81,885	71,380
Operating profit (loss)	63,883	63,265	14,107	13,494
Gross profit (loss)	68,860	52,677	15,206	11,236
Net profit (loss)	54,494	42,281	12,034	9,018
Net profit (loss) attributable to shareholders of the parent company	54,460	40,680	12,026	8,677
Net cash flows from operating activities	78,816	-19,368	17,405	-4,131
Net cash flows from investing activities	-6,388	-28,875	-1,411	-6,159
Net cash flows from financial activities	-112,910	-36,270	-24,934	-7,736
Total net cash flows	-40,482	-84,513	-8,940	-18,026
Total assets	679,064	687,499	156,178	146,591
Liabilities and provisions for liabilities	391,025	323,238	89,932	68,922
Long-term liabilities	89,787	98,380	20,650	20,977
Short-term liabilities	301,238	224,858	69,282	47,945
Equity	288,039	364,261	66,246	77,669
Share capital	13,936	13,936	3,205	2,971
Number of shares (pcs.)	13,936,000	13,936,000	13,936,000	13,936,000
Profit (loss) per one ordinary share (in PLN/EUR)	3.91	2.92	0.86	0.62
Diluted profit (loss) per ordinary share (in PLN/EUR)	3.91	2.92	0.86	0.62
Carrying amount per share (in PLN/EUR)	20.67	26.14	4.75	5.57
Diluted carrying amount per share (in PLN/EUR)	20.67	26.14	4.75	5.57

Selected financial data for OPONEO.PL S.A.	in PLN thousand		in EUR thousand	
	01.01.2023-31.12.2023	01.01.2022-31.12.2022	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Net revenues on sales of products, goods and materials	1,511,916	1,403,004	333,874	299,256
Profit (loss) on sales	295,033	269,289	65,152	57,439
Operating profit (loss)	67,620	59,249	14,932	12,638
Gross profit (loss)	72,463	49,990	16,002	10,663
Net profit (loss)	58,727	40,510	12,969	8,641
Net cash flows from operating activities	74,251	-5,936	16,397	-1,266
Net cash flows from investing activities	1,259	-25,053	278	-5,344
Net cash flows from financial activities	-105,528	-30,271	-23,304	-6,457
Total net cash flows	-30,017	-61,260	-6,629	-13,067
Total assets	533,418	555,801	122,681	118,510
Liabilities and provisions for liabilities	337,316	287,888	77,580	61,385
Long-term liabilities	82,474	92,980	18,968	19,826
Short-term liabilities	254,842	194,908	58,611	41,559
Equity	196,102	267,913	45,102	57,126
Share capital	13,936	13,936	3,205	2,971
Number of shares (pcs.)	13,936,000	13,936,000	13,936,000	13,936,000
Profit (loss) per one ordinary share (in PLN/EUR)	4.21	2.91	0.93	0.62
Diluted profit (loss) per ordinary share (in PLN/EUR)	4.21	2.91	0.93	0.62
Carrying amount per share (in PLN/EUR)	14.07	19.22	3.24	4.10
Diluted carrying amount per share (in PLN/EUR)	14.07	19.22	3.24	4.10

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

- For items of the statement of comprehensive income and statement of cash flows:
 - 4.5284 - the rate calculated as the average of the NBP rates in force on the last day of each month of 2023,
 - 4.6883 - the rate calculated as the average of the NBP rates in force on the last day of each month of 2022,
- For items of the statement of financial position:
 - 4.3480 - NBP exchange rate as at 31 December 2023.
 - 4.6899 - NBP exchange rate as at 31 December 2022.

1. MACROECONOMIC SITUATION AND THE E-COMMERCE SECTOR



1. MACROECONOMIC SITUATION AND THE E-COMMERCE SECTOR

1.1. ECONOMIC GROWTH RATE

Preliminary estimates provided by Statistics Poland concerning the value of Gross Domestic Product for 2023, show the economy growth by 0.2% compared to the previous year. This result was far from the growth figure achieved in 2022, where GDP grew by 5.3% (at constant previous year's prices).

On the basis of the available data, Statistics Poland estimated the following growth rates for gross value added in 2023, compared to 2022:

- in the national economy - an increase of 1.0% (compared to the increase of 5.5% in 2022);
- in industry - a decline of 0.7% (compared to the increase of 7.6% in 2022);
- in construction - an increase of 3.4% (compared to the increase of 5.1% in 2022);
- in trade and repair - a decline of 2.4% (compared to the increase of 2.3% in 2022).

For the full 2023, domestic demand decreased by 4.1% in real terms (in 2022 it increased by 5.2%). A decline of 0.1% was also recorded in total consumption, compared to 2022 when an increase of 4.1% was recorded. Household sector consumption in 2023 decreased by 1.0%, compared to the growth of 5.2% in 2022.



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

A positive trend can be seen in the growth of expenditure allocated to increasing tangible fixed assets and the size of the investment rate in the national economy.

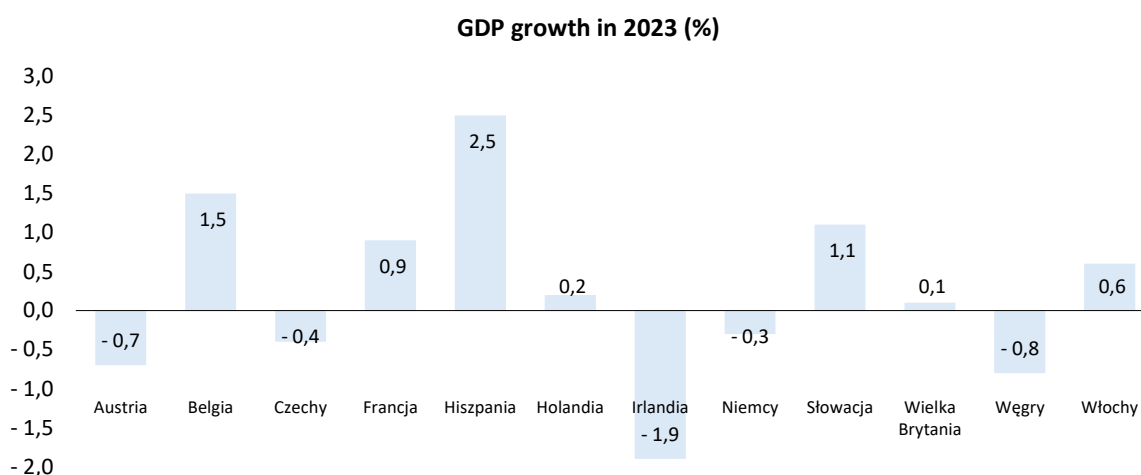
According to the data of Statistics Poland, gross expenditure on tangible fixed assets in 2023 compared to the previous year increased by 8.0% (compared to the 4.9% growth in 2022). The investment rate in the national economy (the ratio of gross expenditure on tangible fixed assets to gross domestic product at current prices) remained at a relatively high level and amounted to 17.4% (in 2022, it reached 16.8%).¹

According to data presented by the Statistics Poland (GUS), the unemployment rate at the end of December 2023 was 5.1%, compared to 5.2% at the end of December 2022. The number of the registered unemployed at the end of December 2023 amounted to 788.2 thousand compared to 812.3 thousand at the end of 2022.²

In 2023, due to the stabilisation in prices of most consumer products and due to the high base effect, consumer price indices have decreased. According to preliminary estimates of Statistics Poland, the average annual inflation rate in 2023 was 11.4%, compared to 14.4% in the previous year. The increase in the price of thermal energy (33.3%) and electricity (21.4%) had the highest impact on the value of the inflation index in 2023.³

The first estimate of GDP for 2023 in the European Union and the euro area published by Eurostat, shows a growth of 0.5% in both the euro area and the EU as a whole.⁴ This compares with a growth rate of 3.5% for the euro area and the EU as a whole in 2022.⁵

The GDP growth rate in the other countries where the OPONEO.PL Group operates is presented in the figure below.



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

Austria	Belgium	Czechia	France	Spain	Netherlands	Ireland	Germany	Slovakia	UK	Hungary	Italy
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¹ Source: GUS, [stat.gov.pl/obszary-tematyczne/rachunki-narodowe/roczne-rachunki-narodowe/produkt-krajowy-brutto-w-2023-roku-szacunek-wstepny,2,13.html]

² Source: GUS, [stat.gov.pl/obszary-tematyczne/rynek-pracy/bezrobocie-rejestrowane/bezrobotni-zarejestrowani-i-stop-a-bezrobocia-stan-w-koncu-grudnia-2023-r-,2,137.html]

³ Source: GUS, [stat.gov.pl/obszary-tematyczne/ceny-handel/wskazniki-cen/wskazniki-cen-towarow-i-uslug-konsumpcyjnych-w-grudniu-2023-roku,2,146.html]

⁴ Source: EUROSTAT, [ec.europa.eu/eurostat/documents/2995521/18404141/2-30012024-AP-EN.pdf]

⁵ Source: EUROSTAT[ec.europa.eu/eurostat/statistics-explained/index.php?title=National_accounts_and_GDP]

In December 2023, the HICP inflation rate in the European Union was 3.4%, down by 7 percentage points compared to December 2022.⁶ The highest price growth was recorded for alcohol and tobacco products, up by 6.7%, as well as food and non-alcoholic beverages, up by 5.9%.⁷ Throughout 2023, inflation in the European Union countries gradually declined. At the end of 2023, the highest inflation was recorded in the Czech Republic at 7.6% and the lowest in Denmark at 0.4%.⁸

1.2. FINANCIAL MARKET

2023 brought mitigating of macroeconomic imbalances observed earlier. Inflationary processes began to slow down, which strengthened the Polish currency and improved the price ratio of exported goods to imported goods. This has increased the competitiveness of companies using imported raw materials and products.

As a result of declining inflation in Poland, the Monetary Policy Council cut base interest rates twice in 2023. On 7 September 2023, rates were reduced by 0.75 p.p. and on 5 October 2023 by 0.25 p.p. to the following levels: reference rate: 5.75%, Lombard rate: 6.25%, deposit rate: 5.25%.⁹ According to the MPC members, the decision to cut rates was influenced by data confirming the persistence of low demand and cost pressures in the economy, as well as the reduction of inflationary pressures under the conditions of economic downturn in the environment of the Polish economy.

At the end of 2023, the interest rate on the main refinancing operations and the interest rate on the central bank credit and the central bank deposit stood at 4.50%, 4.75% and 4.00%, respectively. The last increase took place in September 2023 and amounted to 25 basis points.¹⁰

2023 proved to be a good year for stock market investors. Stock exchanges in Poland, Europe and the USA recorded significant increases. On the Polish stock market, the mWIG40 posted the highest gain of 39.3%, compared to a 21.5% decline in 2022. The main stock market index, WIG increased by 36.5%, compared to a decrease of 17.1% in the previous year. The sWIG80 mid-cap index recorded an increase of 30.9%, compared to a 12.8% decline in the previous year. At the end of 2023, the WIG20 index of the WSE biggest companies also recorded a strong growth, rising by 30.8%, compared to a 20.95% decline in 2022. It is worth noting that the boom of 2023 refers to most of the world's major stock exchanges. the MSCI World index, considered as a good benchmark for the stock market which brings together more than 1,500 listed companies from 23 countries worldwide, gained 21.8% in 2023.¹¹

In 2023, the Polish currency strengthened against the major currencies. It appreciated by 10.2% against the US dollar, while it strengthened by 7.1% against the euro. The appreciation of the zloty was mainly fostered by an increase in real interest rates in Poland, an improvement of our country's balance of payments from a deficit of 2.4% of GDP in 2022, to a surplus of approximately 1% of GDP in 2023, and the external macroeconomic environment.

⁶ Source: Statista, Harmonized index of consumer prices (HICP) inflation rate of the European Union [www.statista.com/statistics/685943/cpi-inflation-rate-europe/], January 2024.

⁷ Source: Statista, [www.statista.com/statistics/1242125/inflation-rate-eu-by-sector/], January 2024

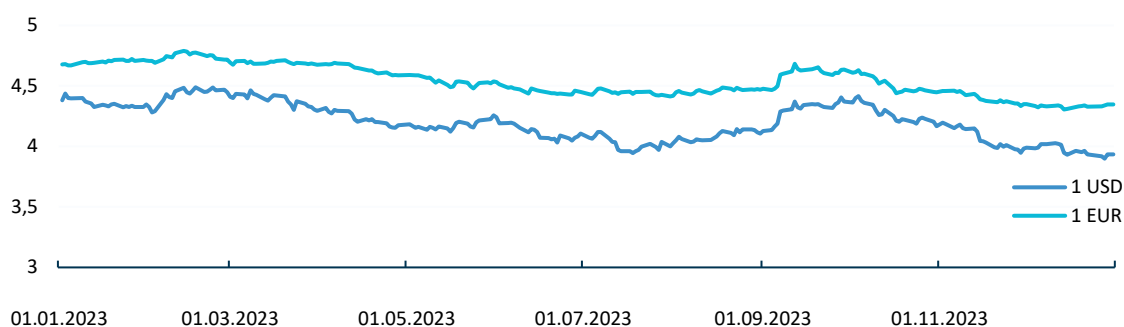
⁸ Source: Statista, [www.statista.com/statistics/225698/monthly-inflation-rate-in-eu-countries/], January 2024.

⁹ Source: NBP, [www.nbp.pl/home.aspx?f=/dzienne/stopy_archiwum.htm], December 2023.

¹⁰ Source: ECB, [www.ecb.europa.eu/press/pr/date/2023/html/ecb.mp230914~aab39f8c21.en.html]

¹¹Source: Bankier.pl, [www.bankier.pl/wiadomosc/Gieldowe-naj-czyli-hity-i-kity-2023-r-na-GPW-8671295.html]

Quotations of the zloty against major currencies



Source: NBP

As at 31 December 2023, the exchange rates of the major currencies against the zloty recorded the following levels¹²:

- CHF/PLN exchange rate - 4.6828
- GBP/PLN exchange rate - 4.9997
- USD/PLN exchange rate - 3.9350
- EUR/PLN exchange rate - 4.3480

1.3. AUTOMOTIVE MARKET

According to data presented in the statistics of the Central Vehicle and Driver Register, 1.72 million vehicles were registered in Poland in 2023, compared to 1.62 million registered the previous year, an increase of 6.17%.¹³ Data presented by the Polish Automotive Industry Association concerning new car registrations in Poland, show a downward trend in the number of registrations in 2022. The number of new passenger car registrations for the entire 2023 closed at 475.0 thousand pcs, an increase of 13.2% compared to the previous year, when the number of registered cars was 419.7 thousand pcs. Individual customers registered 130.6 thousand new vehicles, compared to 121.6 thousand pcs in the previous year (up by 7.4%), while 344.4 thousand cars were registered under Regon, compared to 298.2 thousand pcs in 2022 (up by 15.5%). Throughout 2023, the market grew YoY practically every month, excluding April, when it recorded a slight decline. The recorded increases result from the greater availability of cars ordered still in 2022.¹⁴

In 2023, imports of second-hand cars also saw a decline. The report published by the SAMAR Automotive Market Research Institute shows that 736.8 thousand second-hand passenger cars were imported to Poland in 2023, which means an increase of 4.4%¹⁵ compared to the previous year.

1.4. TYRE MARKET

Tyre sales in 2023 to distributors in Poland, presented by the Polish Tyre Industry Association in the passenger car segment, show a decline of -13% compared to the previous year. Declines are also recorded in the other segments, namely: agricultural tyres -47%, truck tyres -36% and industrial tyres

¹² Source: NBP, [www.nbp.pl/home.aspx?f=/kursy/arch_a.html], December 2023.

¹³ Source: CEPIK, [www.cepik.gov.pl/statystyki], January 2024.

¹⁴ Source: PZPM, [www.pzpm.org.pl/pl/Rynek-motoryzacyjny/Rejestracje-Pojazdow/OSOBOWE-i-DOSTAWCZE/Grudzien-2023r]

¹⁵ Source: SAMAR, [www.samar.pl/_/3/3.a/119736/3.sc/11/Import-w-grudniu-2023-roku---podsumowanie-roku-.html?locale=pl_PL]

-28%. Only motorcycle tyre sales remained at the same level as in 2022. In 2023, summer tyre sales fell by -24.3% and winter tyre sales by -11.9%, while the all-season tyre segment saw a slight increase of +1.8%.¹⁶

Sales figures for passenger car tyres in Europe in 2023, presented by the ETRMA (European Tyre and Rubber Manufacturers' Association), show a decrease in sales of -8% compared to the previous year. According to the report, tyre sales in 2023 will close at 208.5 million pcs against 226.4 million in 2022. The highest decline in sales was recorded in the agricultural tyre segment (-30%), while sales in the truck tyre segment decreased by -17% and in the motorcycle tyre segment by -11%. In Poland, tyre sales fell by 14%. It should be mentioned that ETRMA reports sales data for the sell-in market. A brief commentary by experts from the ETRMA Association, indicates a confirmation of the negative trends observed since June 2022 and resulting mainly from a decrease in demand caused by increases in raw material, energy and wage costs. The reduction of stocks in the distribution channels also has an impact on the current situation.¹⁷

1.5. MARKET OF TOOLS AND DIY

The tool industry is correlated with the housing construction sector, therefore trends prevailing in the construction market are important. According to the preliminary data published by Statistics Poland, the number of dwellings completed in 2023 amounted to 220.4 thousand dwellings, which means a decrease of 7.6% compared to 2022. The number of housing units commissioned by developers reached 136.5 thousand (down by 5.2% YoY), while private investors completed 79.6 dwellings (down by 12.3% YoY). A significant decline was also recorded in the number of construction starts and building permits issued. In 2023, construction of 189.1 thousand dwellings was launched, i.e. 5.6% less than the previous year, while the total number of permits issued or construction notifications submitted amounted to 241.1 thousand dwellings, down by 18.9%. The reduction in new residential development was mainly affected by the high cost of construction materials, labour costs and third-party services.¹⁸

Changes in the prices of construction materials continued to record a positive growth rate in 2023 and increased by an average of 4% YoY, but price increases slowed down in the following months of 2023. December 2023 even saw a price drop of 2.6% compared to December 2022.¹⁹

The effects of the slowdown in the tools segment affect the subsidiary, ROTOPINO.PL S.A. Measures taken to improve inventory management, increase efficiency in cost management and prudent purchasing planning are aimed at increasing price competitiveness and availability of key products for customers.

1.6. BICYCLE MARKET

2023 was another year characterised by a growth in the bicycle market. The fall in the price of energy raw materials, improvements in the logistics and delivery system, as well as the decline in sea, railway and air transport costs²⁰, have stabilised and optimised the price of finished products. Falling inflation

¹⁶ Source: PZPO, [pzpo.org.pl/quarter-quarter-priority-hopes-on-market-sales-opon/]

¹⁷ Source: ETRMA, [www.etrma.org/wp-content/uploads/2024/01/PR_ETRMA_Replacement_Tyre_Sales_Q4-2023.pdf]

¹⁸ Source: GUS, [stat.gov.pl/obszary-tematyczne/przemysl-budownictwo-srodki-trwale/budownictwo/budownictwo-mieszkaniowe-w-okresie-styczen-grudzien-2023-roku,5,147.html]

¹⁹ Source: Grupa PSB, [www.grupapsb.com.pl/centrum-prasowe/trendy-cenowe/trend/zmiany-cen-materialow-budowlanych-w-grudniu-oraz-po-12-miesiacach-2023-r-analiza-grupy-psb-handel-s-a.html]

²⁰ Source: Shiphub, [www.shiphub.pl/transport-najtanszy-od-lat/]

in the following months, resulted in an increased number of purchasing decisions. Customers postponing their purchasing decisions so far, took advantage of the prices and promotions on offer and made their planned single-track purchase. Positive sales growth is indicated by both manufacturers and the main distributors of bicycle equipment in Poland. The subsidiary, Dadelo S.A. is benefiting from the market upward trend by increasing its sales. The Company's revenue in 2023 increased by several dozen per cent compared to 2022.

According to the PWC report (Global Bike & Bike Accessories Market), both the global bicycle market and the European market will record the annual growth of minimum several per cent.²¹ This is primarily linked to the consolidation of the health and environmental trend in the minds of consumers. Economic aspects are also more and more appealing to the consumer. Using a bicycle we do not emit pollutants to the atmosphere, we travel cheaper and sometimes faster, avoiding traffic jams and congestion especially in city centres. The increase in bicycle sales is accompanied by the increasing demand for bicycle accessories as a result of the growing bicycle culture. Awareness of safety and the appeal of cycling as a sport is becoming increasingly important.

1.7. E-COMMERCE MARKET

Market growth rate in Europe

The continued growth of the e-commerce market is evidenced by the sales results of the key players in this market who record YoY increases in sales volumes. The growing interest of consumers in online shopping is also confirmed by studies of institutions associated with the e-commerce market. Customers' positive experience of online shopping, builds their confidence in this online shopping pattern. The speed of online shopping and the ability to compare offers without leaving home is gaining a growing number of supporters. Currently, the effect of customers getting used to shopping online can already be noticed. Consumers have developed the habit of checking offers and prices online first and, if the examination is positive, making a quick purchase online. Although the long-term outlook for Europe's B2C e-commerce sector remains positive, rising inflation and the increasing cost of subsistence have slowed down the dynamic growth in 2023. The reduction of overall spending by consumers has also been reflected in online trading.

According to the European E-commerce Report 2023, B2C trade turnover in Europe in 2023 amounted to EUR 975 billion. Western Europe, with a score of 67%, leads the share of B2C e-commerce turnover in Europe. According to the report, more than 78% of internet users purchase products on online platforms. According to the research, 100% of the population has an internet access in Iceland, Norway and Switzerland. On the other hand, the highest levels of electronic customers are recorded in England (95%), the Netherlands (92%) and Norway (92%). On the other hand, the lowest percentage of online shoppers is found in Montenegro (31%), Bosnia and Herzegovina (39%) and Bulgaria (49%).²²

E-commerce market in Poland

The report on "E-commerce in Poland 2023" prepared by Gemius informs that 79% of Internet users made purchases online. Moreover, 75% of internet users buy in Polish shops while 30% - in foreign e-stores. The trend of buying via social media has been growing over the recent years. According to the surveys, 19% of internet users buy on and through social media. The largest group of consumers who do their shopping online are residents of cities with more than 200 thousand inhabitants (31%), and the smallest are rural residents (24%). The highest share of internet users declaring online shopping are persons with a university degree (42%) and those aged over 50 (35%). Furthermore,

²¹ Source: PWC, [www.pwc.com/it/it/publications/docs/pwc-global-bike-and-accessories-market.pdf]

²² Source: Ecommerce Europe, [ecommerce-europe.eu/wp-content/uploads/2023/11/European-Ecommerce-Report-2023-Light-Version.pdf]

women (51%) are more likely to buy online than men (49%). The most popular categories of goods bought online by at least half of shoppers include: clothing including accessories, footwear, cosmetics and perfumes, books, CDs, pharmaceuticals, sportswear and home electronics / household appliances. The main incentives for online shopping remain virtually unchanged in the current survey compared to previous ones. The main factor is the 24-hour availability and the absence of the necessity to drive to the shop, as well as more time to select the product searched. Respondents also pointed to more attractive prices compared to traditional stores, as well as a broader range and ease of comparing offers. When shopping online, the most common form of payment is BLIK, which was indicated by 47% of respondents. The most common form of delivery is a self-service parcel locker (82%), with 93% choosing Inpost parcel locker. The survey asked about the ROPO (research online, purchase offline) effect. Approximately 40% of respondents have confirmed that they sometimes check the price and product descriptions online first, then do their shopping in a traditional store. Both the ROPO effect and the reverse ROPO effect are far more frequently observed among persons with up to 2 years of online shopping experience.²³

1.8. LEGAL CHANGES

As of 11 January 2023, amendments to Polish law regarding consumer rights came into force. They result from the implementation of three EU directives: Omnibus, Commodity and Digital Directive. The amendments include the introduction of relevant provisions mainly in the Act on Consumer Rights, the Act on Counteracting Unfair Market Practices, the Act on Informing about Prices of Goods and Services and the Civil Code.²⁴ The aim of the regulatory changes is to better protect consumers in the fast-growing e-commerce market and to combat consumer disadvantages related to fake promotions.

Changes relating to consumer rights in general, relate to commercial transactions primarily between a trader and a consumer and are therefore of interest to Companies of the OPONEO.PL Group. Accordingly, all legal changes are immediately implemented by the Group in its sales practices and procedures.

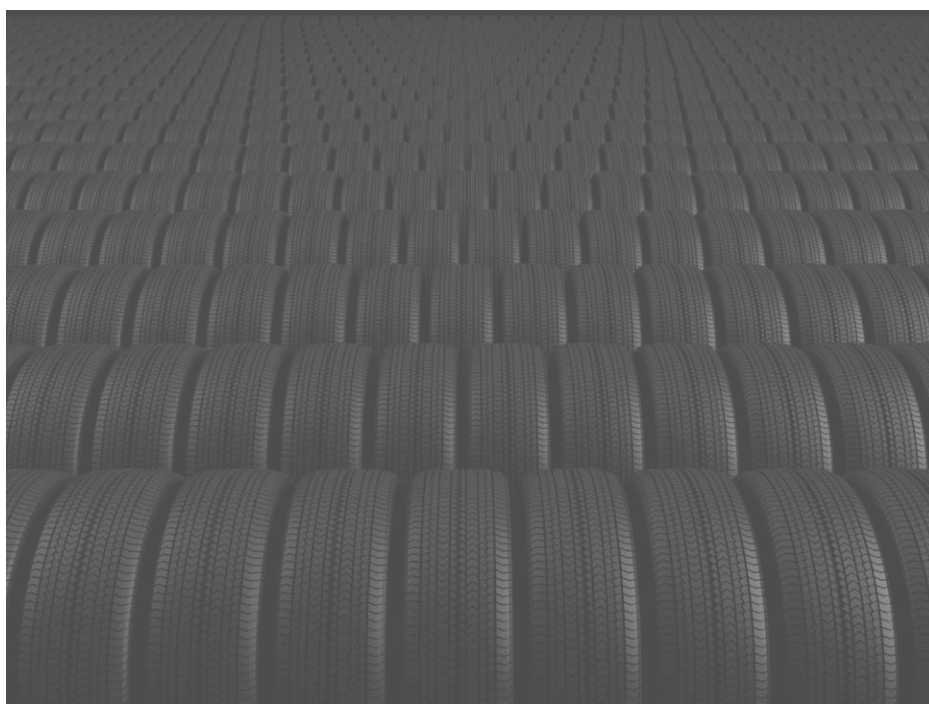
On 22 August 2023, the amendment to the Act of 16 August 2023 amending the Act - Code of Commercial Companies and certain other acts of law entered into force.²⁵ The Act represents the next step in the implementation of the so-called "Company Law Package" to deepen integration within the EU single market. The main purpose of the Act is to implement into the Polish legal system Directive (EU) 2019/2121 of the European Parliament and of the Council of 27 November 2019 amending Directive (EU) 2017/1132 as regards cross-border transformation, mergers and divisions of companies. Moreover, the Act aims to partially implement Directive (EU) 2019/1151 of the European Parliament and of the Council of 20 June 2019 amending Directive (EU) 2017/1132 as regards the use of digital tools and processes in company law, as regards the exchange of information on the prohibition to act as a member of the board of directors or in management functions within the system of interconnection of the commercial registers of the Member States. The majority of the provisions of the Act entered into force as of 15 September 2023.

²³ Source: Gemius, Report: "E-commerce in Poland 2023"

²⁴ Source: Infor, [www.infor.pl/prawo/prawa-konsumenta/prawa-konsumenta/5638847,prawa-konsumenta-zmiany-2023.html]

²⁵ Source: ISAP, [isap.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=WDU20230001705]

2. COMMENTARY TO THE FINANCIAL RESULTS OF THE OPONEO.PL GROUP IN 2023



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

2.1. MAIN FACTORS AFFECTING THE FINANCIAL RESULT

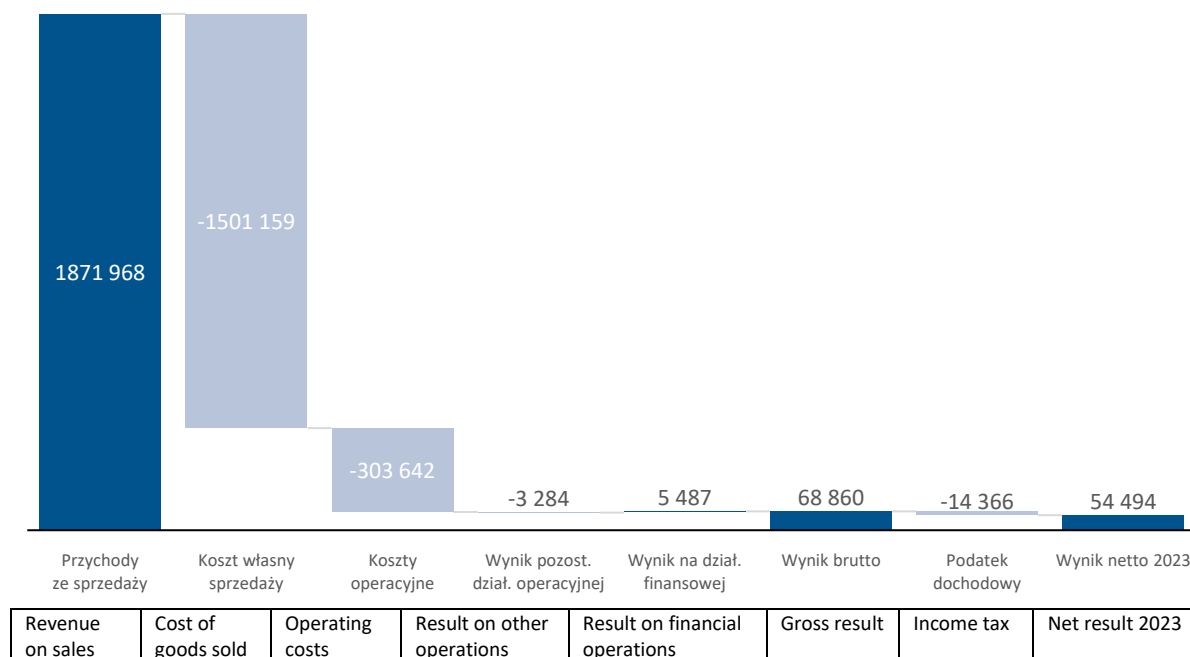
2.1.1. OPONEO.PL Group

OPONEO.PL Capital Group in 2023 generated a pre-tax profit of PLN 68,860 thousand compared to PLN 52,677 thousand in the previous year, a rise of 30.7%. Net profit amounted to PLN 54,494 thousand, 28.9% more than in 2022.

Main factors influencing the financial result of the OPONEO.PL Group in 2023 include:

- Growth in sales revenues.
The total revenue of the Group for 2023 closed at PLN 1,871,968 thousand, which means an increase of 10.4% compared to the previous year. At the same time, the revenue from domestic sales increased by 11.9% to reach PLN 1,545,211 thousand while overseas sales generated PLN 326,757 thousand of revenue and increased by 3.8% compared to sales in 2022.
- An increase in operating costs (i.e. selling costs and overhead costs) to PLN 303,642 thousand (up by 12.3%). An increase in costs was recorded in each cost category, which was primarily related to the increase in the scale of operations and the associated volume of orders, as well as the increase in the prices of materials and services.
- Negative result on other operating activity.
A result of PLN -3,284 thousand was generated on other operating activity in 2023 compared to PLN -1,078 thousand in the previous year.
- Positive result on financial activity.
In 2023, the result on financial activity amounted to PLN 5,487 thousand, compared to PLN -10,367 thousand for 2022. The result obtained is mainly related to foreign exchange gains.
- Income tax burden.
Income tax for 2023 amounted to PLN -14,366 thousand compared to PLN -10,396 thousand for the previous year.

Źródła kreacji wyniku netto Grupy OPONEO.PL w 2023 roku (w tys. zł)



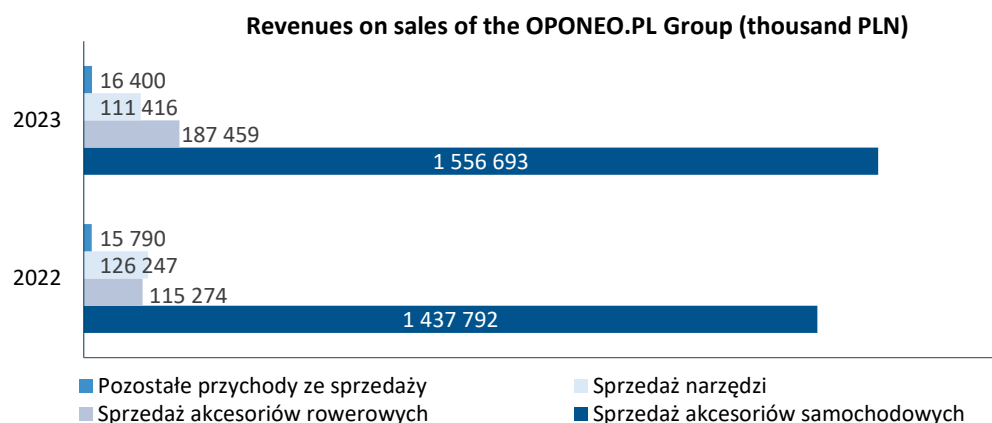
Basic items of the consolidated statement of comprehensive income the OPONEO.PL Group	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022	Change	
			PLN thousand	in %
Sales revenue	1,871,968	1,695,103	176,865	10.43%
Cost of goods sold	-1,501,159	-1,360,451	-140,708	
Operating costs (general administration and sales)	-303,642	-270,308	-33,334	
Result on other operating activity	-3,284	-1,078	-2,206	
Result on financial activity	5,487	-10,367	15,854	
Gross result	68,860	52,677	16,183	30.72%
Income Tax	-14,366	-10,396	-3,970	
Net result	54,494	42,280	12,214	28.89%
<i>including, attributable to shareholders of the parent company</i>	<i>54,460</i>	<i>40,680</i>	<i>13,780</i>	<i>33.87%</i>

Revenues on sales

In 2023, the total revenue on the OPONEO.PL Group sales amounted to PLN 1,871,968 thousand, which means an increase of 10.4% compared to the previous year, closed with a revenue in the amount of PLN 1,695,103 thousand. Revenue from domestic sales amounted to PLN 1,545,211 thousand and increased by 11.9% YoY, while foreign sales generated revenue of PLN 326,757 thousand, increasing by 3.8% YoY. The share of domestic revenues accounted for 82.5% of OPONEO.PL Group's total sales revenues.

The Group distinguishes three operating segments in its operations:

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



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

The Group's basic revenue is generated in the segment of automotive accessories. Revenue generated from this segment in 2023 amounted to PLN 1,556,693 thousand, an increase of 8.3% YoY. Revenue from the automotive accessories segment accounted for 83.2% of the Group's total sales revenue.

Sales of bicycles and bicycle accessories generated revenue in the amount of PLN 187,459 thousand, a rise of 62.6% compared to the previous year. Within the sales structure, revenues from this segment accounted for 10.0% of total revenue.

In 2023, in the tool segment, the Group generated turnover amounting to PLN 111,416 thousand showing an increase of -11.7% compared to the previous year.

Result on other operating activity

The result of the Group on other operating activities in 2023 amounted to PLN -3,283 thousand compared to PLN -1,078 thousand for 2022. The determination of such a result was mainly affected by operations related to the company's ordinary operating activities, especially in the goods movement segment (settlements of trade goods), as well as the balance of claim settlements.

Operating costs

In 2023, the Group's operating expenses amounted to PLN 303,642 thousand, an increase of 12.3% compared to the previous year.

Costs of third-party services represent the major part of operating expenses. Their value in 2023 increased by 7.4% compared to the previous year and amounted to PLN 133,020 thousand. The cost of third-party services accounted for 43.8% of total operating costs. The increase in the cost of freight forwarding and transport services had the greatest impact on the increase in the cost of third-party services. A significant part of these costs are the operating and maintenance costs associated with the leased warehouse space.

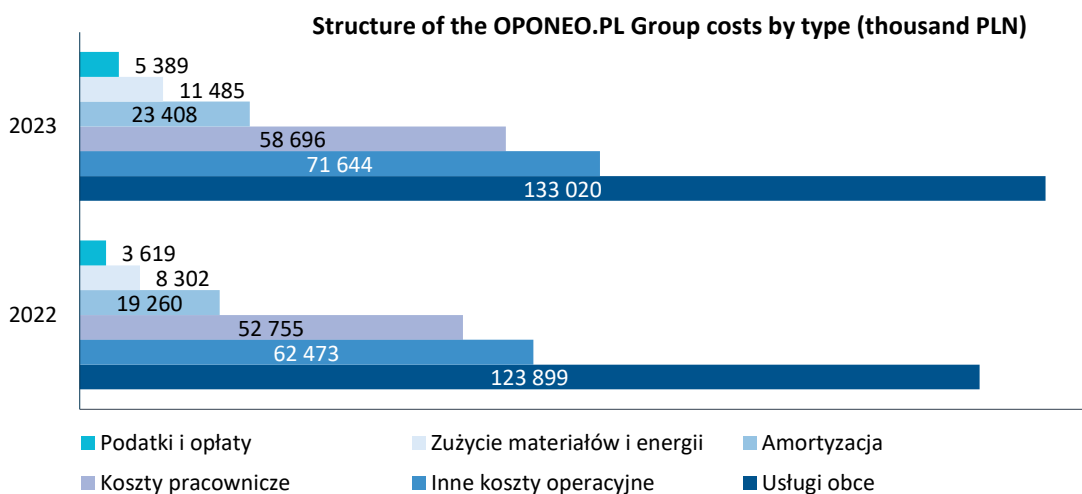
Other operating expenses in 2023 recorded an increase of 14.7%, reaching PLN 71,644 thousand. In the structure of operating expenses, they accounted for 23.6%. The increase in these costs was mainly affected by an increase in marketing expenses and the costs of handling electronic payments and bank fees.

In the Group's operating cost structure, personnel costs accounted for 19.3% and closed at PLN 58,696 thousand. The YoY growth amounted to 11.3%, driven by an increase in the Group's headcount. This was primarily due to an increase in the scale of Dadelo S.A.'s operations, including the opening of a traditional store in Warsaw and the launch of a vulcanisation and car mechanics service by Opony.pl Sp. z o.o. in Bydgoszcz.

Depreciation and amortisation accounted for 7.7% of operating expenses in 2023, amounting to PLN 23,408 thousand. Compared to the preceding year, their it meant an increase of 21.5%. The increase in depreciation and amortisation costs was significantly affected by the depreciation for the full financial year of the warehouse space in Zelgoszcz leased under a long-term contract accepted into the fixed asset register in April 2022. In addition, in 2023, the company equipped the leased space with successive segments of tyre storage bins to facilitate the acceptance, storage and release of commercial goods.

The Group's costs of material and energy consumption increased by more than 38.3% to PLN 11,485 thousand. The increase in this cost category was due to changes in energy and fuel prices and an increase in the storage space used by the Group.

Compared to 2022, costs in the taxes and fees category have also increased. Their value in 2023 amounted to PLN 5,389 thousand, increasing by 48.9%. Their growth was mainly affected by an increased level of ecological and recycling fees associated with the Group's tyre sales carried out in Poland and in the territory of the European Union.



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

Result on financial activity

The result of the Group on financial activities in 2023 amounted to PLN 5,486 thousand compared to PLN -10,367 thousand in the previous year. The determination of this result was mainly affected by foreign exchange gains during the financial year and in the balance sheet valuation of foreign currency items at the end of the year.

Income tax

Income tax in the Group for 2023 amounted to PLN 14,366 thousand compared to PLN 10,396 thousand for the previous year. The final tax determined consists of current tax in the amount of PLN 15,437 thousand, deferred tax arising during the year in the amount of PLN 2,620 thousand and reversals of previous write-downs in the amount of PLN -3,691 thousand.

For 2023, the deferred tax in the Group applies to:

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

2.1.2. OPONEO.PL S.A.

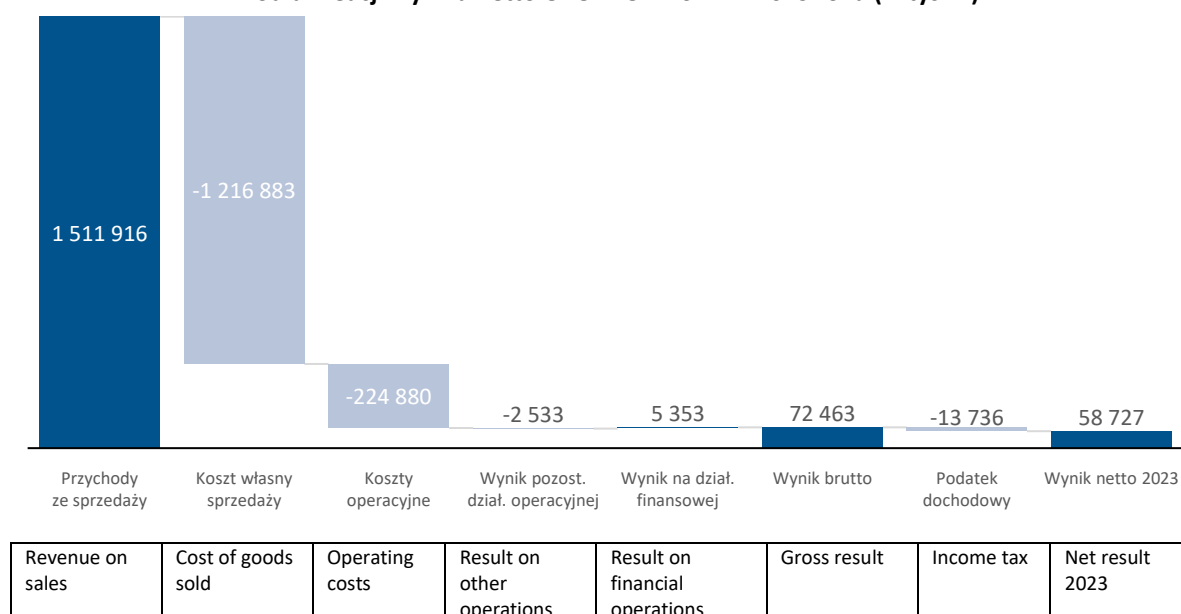
In 2023, OPONEO.PL S.A. generated the net profit of PLN 58,727 thousand compared to the net profit of PLN 40,510 thousand in 2022.

Main factors creating the financial result of the Company in 2023 include:

- Growth of revenue on sales
In 2023, the Company's revenue increased by 7.8% compared to the previous year, reaching the value of PLN 1,511,916 thousand. At the same time, revenue from domestic sales reached the value of PLN 1,299,024 thousand, which means an increase of 8.9% compared to 2022. Revenues on foreign sales also increased, closing at PLN 212,891 thousand, which means an increase of 1.1% YoY.
- Growth of operating expenses
In 2023, operating expenses increased by 7.1%, to PLN 224,880 thousand. Their growth was driven by increased volumes of orders and rising energy and material prices. Accepting new fixed assets into use increased the depreciation value.
- Lower result on other operating activity.
In 2023, other operating activities of the Company in 2023 amounted to PLN -2,533 thousand compared -123 thousand in 2022.
- Higher result on financial activity.
The result on financial activities in 2023 amounted to PLN 5,353 thousand compared to PLN -9,038 thousand for 2022.
- Income tax burden.
Income tax for 2023 amounted to PLN 13,736 thousand, while in 2022 the amount of tax payable was PLN 9,480 thousand.

Key items of the separate financial statements of comprehensive income of OPONEO.PL S.A.	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022	Change	
			PLN thousand	in %
Sales revenue	1,511,916	1,403,004	108,912	7.76%
Cost of goods sold	-1,216,883	-1,133,715	-83,168	
Operating costs (general administration and sales)	-224,880	-209,917	-14,963	
Result on other operating activity	-2,533	-123	-2,410	
Result on financial activity	5,353	-9,038	14,391	
Gross result	72,463	49,990	22,473	44.95%
Income Tax	-13,736	-9,480	-4,256	
Net result	58,727	40,510	18,217	44.97%

Źródła kreacji wyniku netto OPONEO.PL S.A. w 2023 roku (w tys. zł)



Revenues on sales

The revenue on sales of tyres represent the prevailing component of the Company's revenue. In 2023, revenue of PLN 1,422,474 thousand was generated from the sale of tyres, an increase of 7.9% compared to 2022. The value of rim sales closed at PLN 64,035 thousand, recording an increase of 1.5% compared to the previous year. Sales of other car accessories increased by 23.2% reaching PLN 2,436 thousand. Other sales revenue amounted to PLN 22,971 thousand, increasing by 14.8% YoY.

Result on other operating activity

In 2023, the result on other operating activity amounted to PLN -2,533 thousand, compared to PLN -123 thousand in 2022. This result was mainly affected by settlements of trade goods, as well as the balance of claims settlements.

Operating costs

The cost of external services is the main element of OPONEO.PL S.A.'s operating costs. In 2023, they accounted for 41.1% in the operating cost structure, reaching PLN 92,470 thousand. Compared to 2022, costs of third-party services increased by 2.6%. The increase in costs of third-party services in

2023 was due to the higher number of shipments processed by shipping companies which was related to the increase in sales.

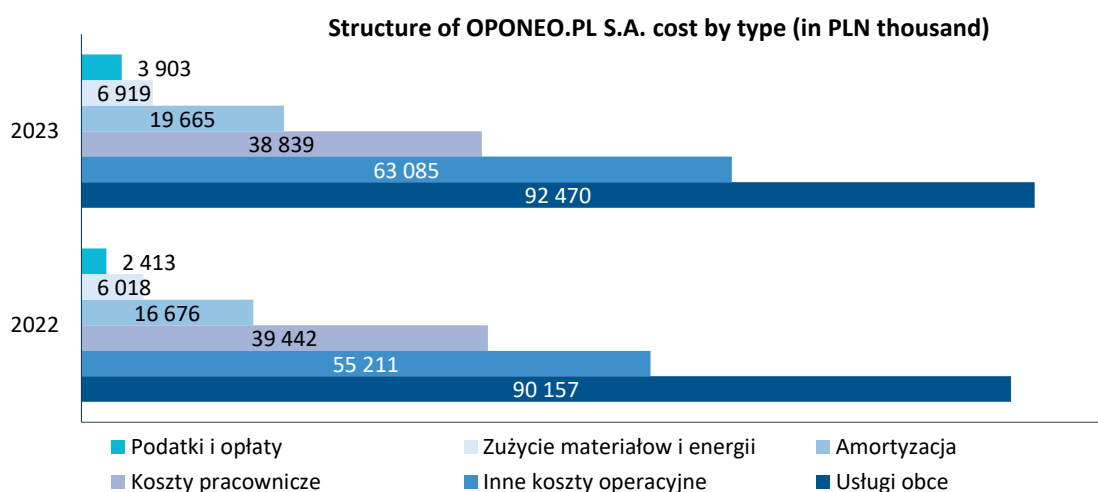
Other operating expenses in 2023, increased by 14.3% compared to the previous year reaching PLN 63,085 thousand, representing 28.1% of total operating expenses. The increase in this cost category is due to increased marketing expenditure, including traditional media advertising and online Google Ads. The increase in costs reported under this heading was also affected by increases in bank charges, commissions on internet payments and insurance of the company assets.

Depreciation in 2023 amounted to PLN 19,665 thousand, increasing by 17.9% YoY. The increase in depreciation and amortisation costs was significantly affected by the depreciation for the full financial year of the warehouse space in Zelgoszcz leased under a long-term contract accepted into the fixed asset register in April 2022. In 2023, the company equipped the leased space with successive segments of tyre storage bins to facilitate the acceptance, storage and release of commercial goods.

Employee costs (wages and other employee benefits) in 2023 accounted for 17.3% in the cost structure and reached PLN 38,839 thousand, decreasing by 1.5% compared to 2022.

The increase in electricity prices, resulted in a 14.9% increase in the cost item for materials and energy consumption to PLN 6,919 thousand.

The increase in costs related to recycling charges and changes in real estate tax rates resulted in a higher tax and fee item compared to the previous period. For 2023, these costs amounted to PLN 3,903 thousand, 61.7% higher than in the previous year.



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

Result on financial activity

The Company's financial activities in 2023, resulted in a profit of PLN 5,353 thousand compared to a loss of PLN -9,038 thousand in the previous year. The factor directly affecting the determination of this result was the positive balance of exchange rate differences, related to the measurement of the

company's asset and liability items expressed in currencies, both during 2023 and as at 31 December 2023.

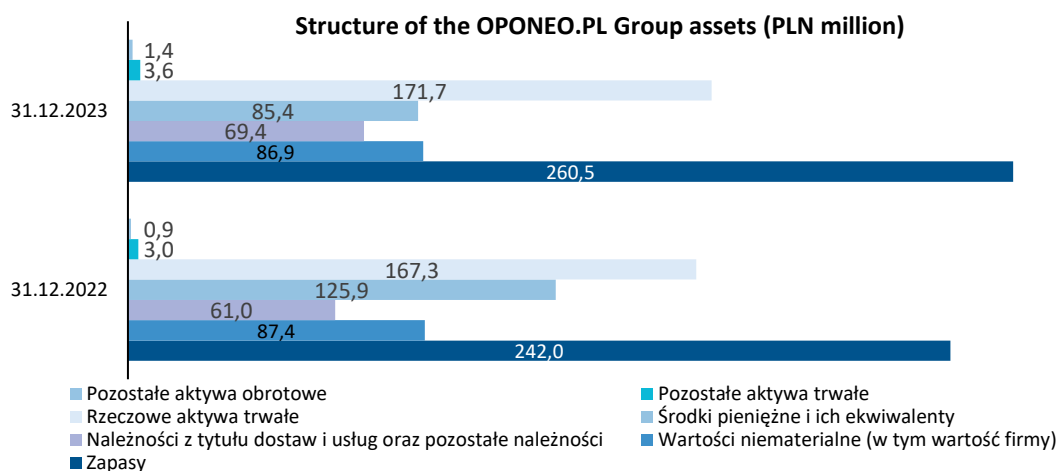
Income tax

Income tax liability for 2023 amounted to PLN 13,736 thousand compared to PLN 9,480 thousand for the previous year. In addition to current tax, the final determination of the annual tax liability is affected by deferred tax arising during the year and reversals of previous write-downs. The main item creating deferred tax involves the rebate adjustments for 2023 settled in terms of taxes according to the date of issue or receipt in 2024.

2.2. FINANCIAL STANDING

2.2.1. OPONEO.PL Group

As at 31 December 2023, the total assets of the OPONEO.PL Group amounted to PLN 679,064 thousand and were -1.2% lower than at the end of 2022.



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

The Group's main assets include:

- Inventories amounted to PLN 260,479 thousand, which accounted for 38.4% of assets in the asset structure. Their value has increased by 7.6% compared to the previous year. The increase in inventories was mainly related to the bicycles and bicycle accessories segment and was associated with the increase in the scale of the Group's operations.
- Tangible fixed assets with the value of PLN 171,744 (25.3% of assets). Their value increased by 2.7% YoY.
- Cash and cash equivalents amounted to PLN 85,434 thousand, showing a decrease of -32.1% compared to the previous year. Cash and cash equivalents accounted for 12.6% of total assets.
- The amount of intangibles at the end of 2023 was PLN 45,241 thousand, while the goodwill recognised in the books amounted to PLN 41,693 thousand.
- Trade liabilities and other liabilities increased by 13.9% compared to the previous year and amounted to PLN 69,446 thousand. Their share of total assets was 10.3%.

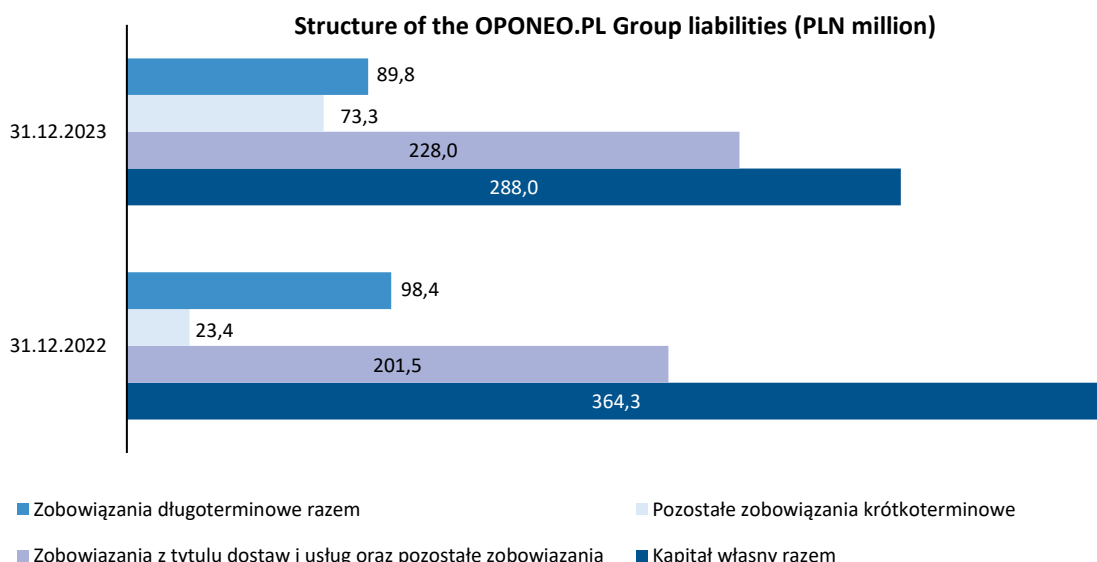
Liabilities of the OPONEO.PL Group

The equity of the OPONEO.PL Group at the end of 2023 amounted to PLN 288,039 thousand and financed 42.4% of the Group's activities. Compared to the previous year, they decreased by -20.9%.

Short-term trade and other liabilities increased by 13.1% in relation to the previous year and closed with the amount of PLN 227,988 thousand. In the structure of liabilities, they accounted for 33.6%.

The total value of all long-term liabilities decreased by -8.7% YoY and amounted to PLN 89,787 thousand (13.2% of liabilities). Lease liabilities represented the largest item in long-term liabilities, amounting to PLN 68,679 thousand at the end of the year, which means their reduction by -6.3% YoY.

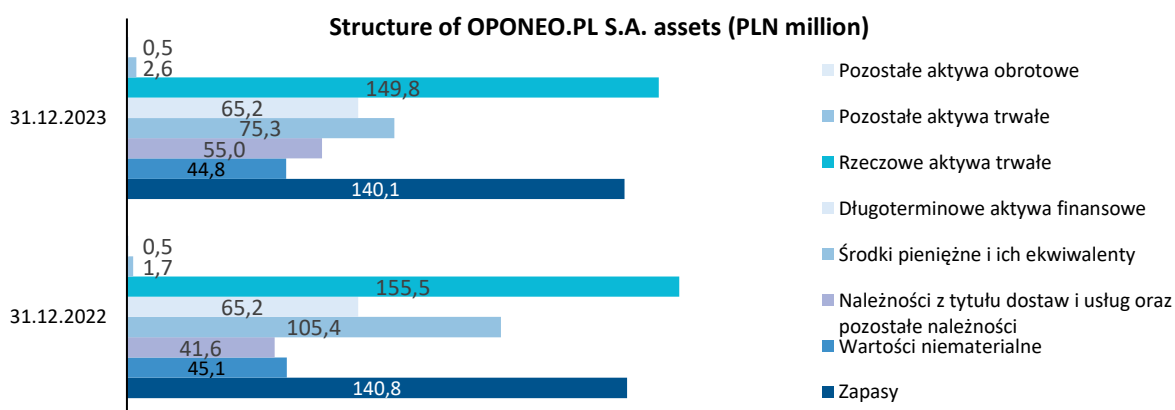
Other short-term liabilities at the end of 2023 amounted to PLN 73,250 thousand and were 213.4% higher compared to the previous year.



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

2.2.2. OPONEO.PL S.A.

As at 31 December 2023, the total assets of OPONEO.PL S.A. amounted to PLN 533,418 thousand and were 4.0% lower than at the end of 2022.



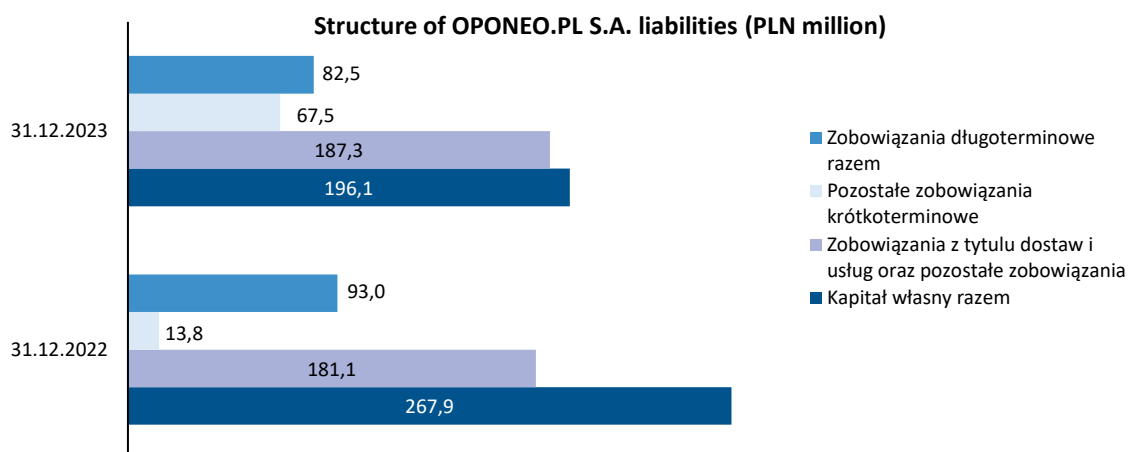
Pozostałe aktywa obrotowe	Other current assets
Pozostałe aktywa trwałe	Other fixed assets
Rzeczowe aktywa trwałe	Tangible fixed assets
Długoterminowe aktywa finansowe	Long-term financial assets
Należności z tytułu dostaw i usług oraz pozostałe należności	Trade and other receivables
Zapasy	Inventories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

The main elements of the Company assets include:

- Inventories with the value of PLN 140,132 thousand (26.3% of assets) - in YoY terms they remained virtually unchanged decreasing by only -0.5%.
- Intangible assets of PLN 44,808 thousand represented 8.4% of assets and were -0.5% lower than at year-end of 2022.
- Trade liabilities and other liabilities in the amount of PLN 54,979 thousand increased by 32.0% compared to the previous year and accounted for 10.3% of the total assets. These receivables mainly resulted from settlement cycles with courier companies and cashless payment operators as at the reporting date, as well as prepayments made for goods and discount adjustments. The increase in the value of receivables reported at 31 December 2023 compared to the amount recognised as at the end of the previous reporting period results from the receipt of a higher amount of rebate adjustments from suppliers for the completion of sales in 2023. Settlement of rebate adjustments takes place by offsetting mutual settlements between the dealer and the Company or by payment into the Company's bank account. The settlement takes place once the settlement of the transaction has been agreed with the counterparty.
- Cash and cash equivalents as at 31 December 2023 amounted to PLN 75,347 thousand, i.e. 14.1% of assets. Compared to the previous year, their status decreased by -28.5%.
- Long-term financial assets in the form of shares in subsidiaries and associated companies in the amount of PLN 65,174 thousand posted the same amount as at the end of 2022.
- Tangible fixed assets with the value of PLN 149,823 thousand (28.1% of assets) were -3.7% lower than at the end of 2022. In December 2023, the Company concluded a lease agreement for an automatic tyre sorter to be used to improve the dispatch of goods from the warehouse.

As at 31 December 2023, the Company's equity amounted to PLN 196,102 thousand representing 36.8% in the structure of liabilities. Compared to 2022, they decreased by -26.8%. At the Ordinary General Meeting of OPONEO.PL S.A. held on 17 May 2023, the shareholders resolved to transfer PLN 12,978.1 thousand of the 2022 profit to the supplementary capital of the Company.

As at the end of 2023, short-term trade and other liabilities amounting to PLN 187,309 thousand accounted for 35.1% of OPONEO.PL S.A.'s balance sheet total. Compared to 2022, their status increased by 3.4%. Trade liabilities amounted to PLN 119,518 thousand, and increased by 1.3% YoY.



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

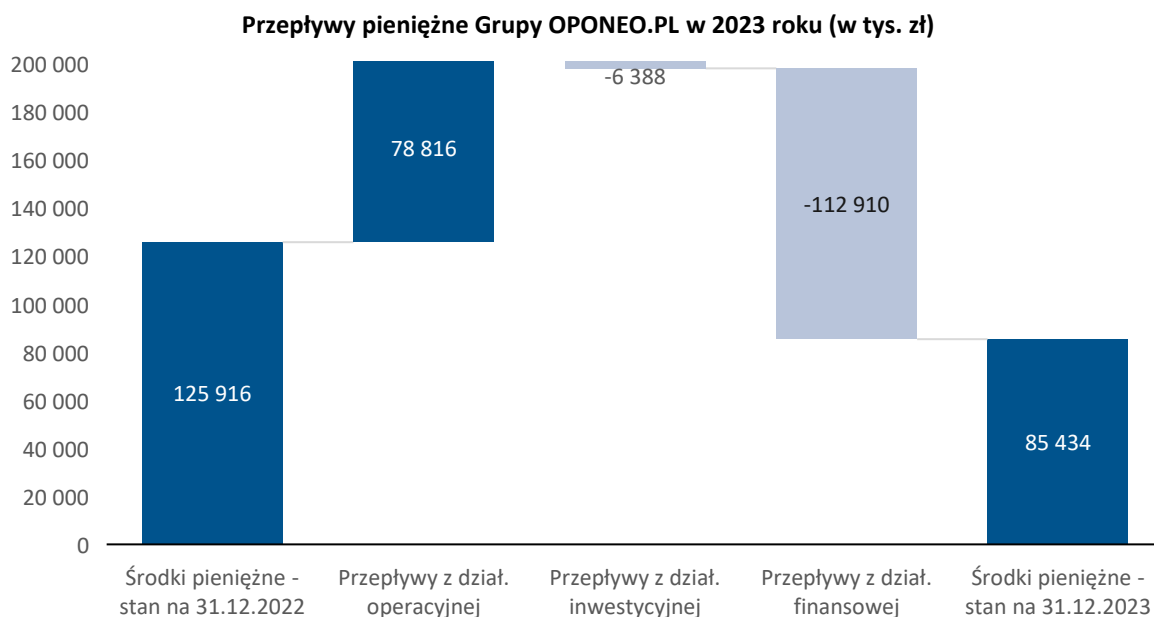
2.3. CASH FLOWS

2.3.1. OPONEO.PL Group

In 2023, the OPONEO.PL Group recorded cash flows at a level of PLN -40,482 thousand, compared to PLN -84,513 thousand in 2022. They consisted of:

- Positive cash flows from operating activity in the amount of PLN 78,816 thousand, The positive impact was mainly due to the gross profit generated in the amount of PLN 68,860 thousand, depreciation and amortisation of PLN 23,408 thousand, an increase in trade and other liabilities of PLN 22,839 thousand and interest expenses of PLN 7,886 thousand. The negative impact was mainly due to a change in inventories of PLN -18,537 thousand, a change in receivables of PLN -6,214 thousand and income tax paid in the amount of PLN -15,889 thousand. In the previous year, the cash flows from operating activities amounted to PLN -19,368 thousand.
- Negative cash flows from investment activity in the amount of PLN -6,388 thousand, This was primarily the result of: the disposal of property, plant and equipment with the value of PLN 16,451 thousand (PLN -18,608 thousand) and the acquisition of intangible assets in the amount of PLN -4,243 thousand. In the previous year, the cash flows from investment activities amounted to PLN -28,875 thousand.
- Negative cash flows from financing activity in the amount of PLN -112,910 thousand, Such a result was mainly influenced by the acquisition of treasury shares in the amount of PLN -103,007 thousand, dividend payments in the amount of PLN -27,532 thousand, payments under finance lease agreements in the amount of PLN -10,451 thousand, interest paid in the amount of PLN -7,886 thousand and the balance of loans received and repaid in the amount of PLN 40,669 thousand. In 2022, the cash flows from financing activities amounted to PLN -36,270 thousand.

At the end of 2023, the OPONEO.PL Group held cash and cash equivalents of PLN 85,434 thousand. In the previous year, cash amounted to PLN 125,916 thousand.



Środki pieniężne stan na 31.12.2022	Balance of cash as at 31.12.2022@
Przepływy z działalności operacyjnej	Cash flows from operating activities
Przepływy z działalności inwestycyjnej	Cash flows from investing activities
Przepływy z działalności finansowej	Cash flows from financing activities
Środki pieniężne stan na 30.06.2023	Balance of cash as at 30.06.2023

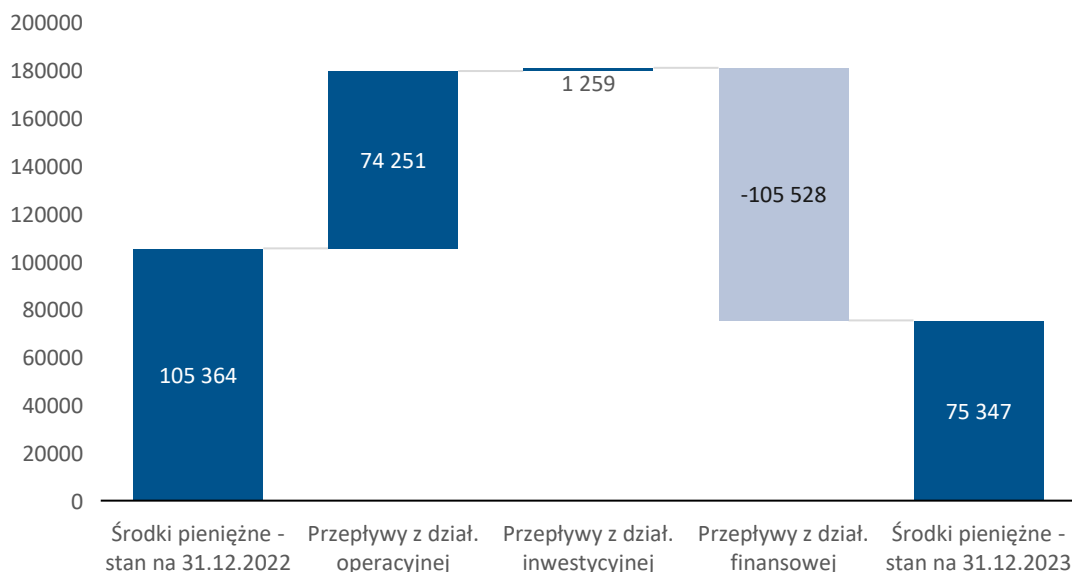
2.3.2. OPONEO.PL S.A.

Cash flows generated by OPONEO.PL S.A. in 2023 amounted to PLN -30,017 thousand compared - 61,260 thousand in the previous year. The above result consisted of:

- Positive cash flows from operating activity in the amount of PLN 74,251 thousand, The balance of funds generated from operating activities was positively affected primarily by depreciation and amortisation in the amount of PLN 19,665 thousand, the change in trade and other liabilities in the amount of PLN 6,696 thousand and interest expenses in the amount of PLN 7,169 thousand. On the other hand, cash flows were negatively impacted by a PLN 13,339 thousand increase in receivables, foreign exchange losses of PLN -4,230 thousand and income tax paid in the amount of PLN 15,075 thousand. In the previous year, cash flows from operating activities amounted to PLN -5,936 thousand.
- Positive cash flows from investment activities in the amount of PLN 1,259 thousand, The determination of such flows was mainly affected by the acquisition of property, plant and equipment (PLN -9,345 thousand), the acquisition of intangible assets (PLN - 4,243 thousand) and disposal of tangible fixed assets. In 2022, cash flows from investment activities amounted to PLN -25,053 thousand.
- Negative cash flows from financing activity in the amount of PLN -105,528 thousand, The generation of the amount reported is the result of such factors as: acquisition of treasury shares (PLN -103,007 thousand), dividends paid (PLN -27,532 thousand), payments under finance lease agreements (PLN -8,492 thousand), interest paid (PLN -7,169 thousand) and the balance of loans and borrowings received and repaid (PLN 40,673 thousand). In the previous year, flows from financing activities amounted to PLN -30,271 thousand.

At the end of 2023, OPONEO.PL S.A. held cash and cash equivalents of PLN 75,347 thousand, compared to PLN 105,364 thousand a year earlier.

Przebiegi pieniężne OPONEO.PL S.A. w 2023 roku (w tys. zł)



Środki pieniężne stan na 31.12.2022	Balance of cash as at 31.12.2022
Przebiegi z działalności operacyjnej	Cash flows from operating activities
Przebiegi z działalności inwestycyjnej	Cash flows from investing activities
Przebiegi z działalności finansowej	Cash flows from financing activities
Środki pieniężne stan na 30.06.2023	Balance of cash as at 30.06.2023

2.4. CHANGES IN EQUITY

2.4.1. OPONEO.PL Group

As at the end of 2023, the equity of the Group amounted to PLN 288,039 thousand compared to PLN 364,261 thousand in 2022. The net profit generated in the amount of PLN 54,494 thousand had the largest influence on the increase in capitals, while the items decreasing capitals included the redemption of treasury shares in the amount of PLN -103,007 thousand and the dividend paid for 2022 in the amount of PLN -27,532 thousand.

Period 01.01.2023-31.03.2023

Statement of changes in equity	Share capital	Share premium	Treasury shares	Other reserve capitals	Retained earnings	Equity attributable to shareholders of the parent company	Equity attributable to non-controlling shareholders	Total equity
Opening balance of equity, before adjustments	13,936	125,560	-9,290	74,268	155,529	360,002	4,258	364,261
Adjustments		-33,710				-33,710	33,710	0
Opening balance of equity	13,936	91,850	-9,290	74,268	155,529	326,293	37,968	364,261
Net profit (loss)	0	0	0	0	54,460	54,460	34	54,494
Other comprehensive income	0	0	0	0	0	0	0	0

Total income	0	0	0	0	54,460	54,460	34	54,494
Issue of shares	0	0	0	0	0	0	0	0
Purchase of own shares	0	0	-103,007	0	0	-103,007	0	-103,007
Transactions with non-controlling shareholders	0	0	0	-1,561	1,561	0	0	0
Dividend	0	0	0	0	-27,532	-27,532	0	-27,532
Other changes	0	-142	0	77,288	-77,351	-205	0	-205
Creation of reserve capital	0	0	0	6,686	-6,657	28	0	28
Changes in equity	0	-142	-103,007	82,413	-55,519	-76,256	34	-76,222
Closing balance of equity	13,936	91,708	-112,297	156,680	100,010	250,037	38,002	288,039

Period: 01.01.2022-31.12.2022

Statement of changes in equity	Share capital	Share premium	Treasury shares	Other reserve capitals	Retained earnings	Equity attributable to shareholders of the parent company	Equity attributable to non-controlling shareholders	Total equity
Opening balance of equity, before adjustments	13,936	125,560	-2,364	67,932	142,775	347,839	2,657	350,496
Adjustments		-33,710				-33,710	33,710	
Opening balance of equity	13,936	91,850	-2,364	67,932	142,775	314,129	36,367	350,496
Net profit (loss)	0	0	0	0	40,680	40,680	1,601	42,281
Other comprehensive income	0	0	0	0	0	0	0	0
Total income	0	0	0	0	40,680	40,680	1,601	42,281
Issue of shares	0	0	0	0	0	0	0	0
Purchase of own shares	0	0	-6,926	0	0	-6,926	0	-6,926
Transactions with non-controlling shareholders	0	0	0	2,157	-2,157	0	0	0
Dividend	0	0	0	0	-19,473	-19,473	0	-19,473
Other changes	0	0	0	4,179	-6,296	-2,118	0	-2,118
Creation of reserve capital	0	0	0	0	0	0	0	0
Changes in equity	0	0	-6,926	6,336	12,754	12,163	1,601	13,764
Closing balance of equity	13,936	91,850	-9,290	74,268	155,529	326,293	37,968	364,261

2.4.2. OPONEO.PL S.A.

As at 31 December 2023, the equity of the Company amounted to PLN 196,102 thousand compared to PLN 267,913 thousand at the end of 2022. The change in equity, in addition to the financial result achieved in 2023, was affected by the buyback of treasury shares and the dividend payment for 2022.

Period 01.01.2023-31.03.2023

Statement of changes in equity	Share capital	Share premium	Treasury shares	Other reserve capitals	Retained earnings	Equity attributable to non-controlling shareholders	Total equity
Opening balance of equity	13,936	37,485	-9,290	50,000	175,782	0	267,913
Net profit (loss)	0	0	0	0	58,727	0	58,727
Other comprehensive income	0	0	0	0	0	0	0
Total income	0	0	0	0	58,727	0	58,727
Issue of shares	0	0	0	0	0	0	0
Purchase of own shares	0	0	-103,007	0	0	0	-103,007
Transactions with non-controlling shareholders	0	0	0	0	0	0	0
Dividend	0	0	0	0	-27,532	0	-27,532
Creation of reserve capital	0	0	0	0	0	0	0
Other changes	0	0	0	82,462	-82,462	0	0
Changes in equity	0	0	-103,007	82,462	-51,267	0	-71,811
Closing balance of equity	13,936	37,485	-112,297	132,462	124,516	0	196,102

Period: 01.01.2022-31.12.2022

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

2.5. FINANCIAL RATIOS

2.5.1. OPONEO.PL Group

The OPONEO.PL Group presents selected financial ratios because, in its opinion, jointly with the data presented in the financial statements, they provide a source of valuable information on the financial and operational situation, as well as facilitate the analysis and assessment of the Group's financial performance over the years 2023 and 2022.

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

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

The higher growth rate in selling and other operating costs than in revenue growth has reduced EBIT and EBITDA margins. The EBIT margin for 2023 amounted to 3.41%, compared to 3.73% in the previous year, while the EBITDA margin reached the value of 4.66%, compared to 4.87% in 2022. Compared to the previous year, the gross margin on sales increased by 0.07 percentage points to reach 19.81%. The increase in net profit had a positive impact on the development of the net profit margin, which reached 2.91% and was 0.42 percentage points higher than the margin recorded for the previous year. The increase in net income also had a direct impact on the improvement in the return on assets ratio, which reached 8.02% increasing by 1.88 percentage points YoY. The return on equity has also improved, increasing from 11.61% in the previous year to the value of 18.92%.

Profitability ratios %	2023	2022
EBIT margin in % (EBIT/sales revenue) x 100%	3.41%	3.73%
EBITDA margin in % (EBITDA/sales revenue) x 100%	4.66%	4.87%
Gross margin on sales in % (Gross profit on sales/Sales revenue) x 100%	19.81%	19.74%
Net profit (loss) margin in % (Net profit/Sales revenue) x 100%	2.91%	2.49%
Return on assets ratio - ROA (Net profit/Total assets) x 100%	8.02%	6.15%
Return on equity ratio - ROE (Net profit/Equity) x 100%	18.92%	11.61%

A slight decrease in current assets, accompanied by a high increase in short-term liabilities, resulted in a decrease in the current liquidity ratio to 1.38, i.e. by 0.53 compared to the previous year. The increase in the share of inventories in current assets resulted in a decrease in the accelerated liquidity ratio to 0.52, compared to 0.83 in the previous year. The lower cash balance at the end of 2023, had the effect of reducing the cash ratio to 0.28 from 0.56 in the previous year. The overall debt ratio increased by 10.56 percentage points. This is primarily the result of an increase in short-term liabilities. The reduction in the equity position resulted in an increase in the equity to fixed assets ratio to 91.07%

Liquidity and debt ratios		31.12.2023	31.12.2022
Current liquidity ratio (current assets / short-term liabilities)		1.38	1.91
Accelerated liquidity ratio (Current assets - inventories - prepaid expenses)/Short-term liabilities		0.52	0.83
Cash liquidity ratio (Cash and cash equivalents/short-term liabilities)		0.28	0.56
Overall debt ratio in % (Total liabilities/Total assets) x 100%		57.58%	47.02%
Equity to fixed assets ratio (Fixed assets/Equity) x 100%		91.07%	70.75%

A lower rate of inventory growth than the increase in cost of sales, resulted in a decrease in inventory turnover of 1.58 days to 62.47 days. Due to the increase in receivables, the receivables turnover ratio increased. It reached 13.36 days at the end of 2023, up from 12.95 at the end of the previous year. The significant increase in current liabilities, was reflected in the liability turnover ratio, which stood at 57.93 days, compared to 47.75 days in the previous year. Overall, at the end of 2023, the cash cycle decreased by 11.35 days year-on-year, setting the value at 17.89 days.

Assets turnover ratio	2023	2022
Inventory cycle in days (Inventories*360/cost of goods sold)	62.47	64.05
Receivables cycle in days (Trade receivables*360/Sales revenue)	13.36	12.95
Current liabilities cycle in days (Short-term liabilities*360/Sales revenue)	57.93	47.75
Cash cycle in days (inventory cycle + receivables cycle - current liabilities cycle)	17.89	29.24

2.5.2. OPONEO.PL S.A.

The Company presents selected financial ratios because, in its opinion, jointly with the data presented in the financial statements, they provide a source of valuable information on the financial and operational situation, as well as facilitate the analysis and assessment of the Company's financial performance over the years 2023 and 2022.

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

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

The higher growth rate of sales revenue relative to cost of sales in 2023, allowed the Company to generate higher profitability ratios. The EBIT margin amounted to 4.47%, compared to 4.22% in 2022, while the EBITDA margin reached 5.77%, compared to 5.41% in the previous year. The gross margin on sales increased by 0.32 p.p. compared to the previous year, reaching the value of 19.51%. Due to the increase in net profit, the net profit margin ratio improved by almost 1 percentage point, reaching 3.88%. An increase in net profit and a slight reduction in assets, allowed us to generate an ROA of 11.01%, 3.72 percentage points better than in 2022. ROE improved by 14.83 percentage points, reaching 29.95%.

Profitability ratios %	2023	2022
EBIT margin in % (EBIT/sales revenue) x 100%	4.47%	4.22%
EBITDA margin in % (EBITDA/sales revenue) x 100%	5.77%	5.41%
Gross margin on sales in % (Gross profit on sales/Sales revenue) x 100%	19.51%	19.19%
Net profit (loss) margin in % (Net profit/Sales revenue) x 100%	3.88%	2.89%
Return on assets ratio - ROA (Net profit/Total assets) x 100%	11.01%	7.29%
Return on equity ratio - ROE (Net profit/Equity) x 100%	29.95%	15.12%

A slight decrease in current assets, accompanied by a high increase in short-term liabilities, resulted in a decrease in the current liquidity ratio by 0.42 percentage points to the value of 1.06. At the same time, due to the significant share of inventories in current assets, the accelerated liquidity ratio decreased reaching the level of 0.51. Due to the lower cash balance at the end of 2023, the cash liquidity ratio also decreased to 0.30, compared to 0.54 in the previous year. The significant increase in short-term financial liabilities, was reflected in the value of the total debt ratio, which stood at 63.24% at the end of 2023, 11.44 percentage points higher than the previous year. The reduction in

the equity position resulted in an increase in the fixed assets by equity ratio by 33.98 percentage points compared to 2022.

Liquidity and debt ratios	31.12.2023	31.12.2022
Current liquidity ratio (current assets / short-term liabilities)	1.06	1.48
Accelerated liquidity ratio (Current assets - inventories - prepaid expenses)/Short-term liabilities	0.51	0.76
Cash liquidity ratio (Cash and cash equivalents/short-term liabilities)	0.30	0.54
Overall debt ratio in % (Total liabilities/Total assets) x 100%	63.24%	51.80%
Equity to fixed assets ratio (Fixed assets/Equity) x 100%	133.82%	99.84%

The maintenance of inventories at virtually unchanged year-on-year levels and a slight increase in the cost of goods sold made it possible to improve the inventory turnover ratio by 3.26 days, setting it at 41.46 days. The effect of an increase in receivables by more than 30% compared to the previous year is an increase in the receivables turnover ratio to 13.09 days. As a result of the significant increase in current liabilities, particularly short-term financial liabilities, the current liabilities ratio increased to 60.68 days, up from 50.01 days in the previous year. The positive trend is shown by the cash cycle indicator, with a value of -6.13 days. This means that, in total, the cycle of inventories and receivables is lower than the rotation of payables, which shows and confirms the Company's well-established position in the market.

Assets turnover ratio	2023	2022
Inventory cycle in days (Inventories*360/cost of goods sold)	41.46	44.72
Receivables cycle in days (Trade receivables*360/Sales revenue)	13.09	10.68
Current liabilities cycle in days (Short-term liabilities*360/Sales revenue)	60.68	50.01
Cash cycle in days (inventory cycle + receivables cycle - current liabilities cycle)	-6.13	5.40

2.6. OTHER FINANCIAL INFORMATION

2.6.1. Borrowings and loans

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

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

The liability under the lending facility is secured by:

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

OPONEO.PL S.A. has a possibility to use a lending facility with mBank S.A. for financing current trade payments. The agreement was annexed on 21 July 2022 and the current limit under this facility amounts to PLN 60,000.00 thousand. The tenor for using the facility is determined until 31 October 2024. The interest rate on the facility is the WIBOR base rate for monthly deposits, increased by a margin of 1.0 p.p

As at 31 December 2023, the Company used the lending facility in the amount of PLN 48,909 thousand.

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

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

On 16 February 2021, the Company entered into a non-revolving lending facility agreement with BNP Paribas Bank Polska S.A. for the amount of EUR 31,500 thousand which refinanced a significant part of own funds earmarked for the acquisition of ROTOPINO.PL SA. The loan bears interest based on a floating base rate of 3-month WIBOR + margin of 0.85 p.p. and is repayable in 60 monthly instalments (the last balancing instalment of PLN 12.6 million). The loan is secured by a blank promissory note, a contractual mortgage on the company's real estate, an assignment of the insurance policy for these properties and a pledge on the shares of the purchased company. As at 31 December 2023, the amount of PLN 20,586 thousand remained outstanding, of which PLN 3,852 thousand in 2024

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

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

OPONEO.PL S.A. granted a surety under civil law up to the amount of PLN 2,250 thousand as a collateral for a lending facility up to PLN 1,500 thousand as an overdraft granted to LAM S.A. by BNP Paribas Bank Polska S.A. The tenor of the loan is determined to 20 May 2033. As at 31 December 2023 the use of the facility stood at a level of PLN 1,430 thousand.

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

Receivables and off-balance sheet liabilities

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

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

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

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

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

In 2023, the Group continued concluded long-term lease agreements for warehouse space intended for the storage of trade goods, presenting them as leases in the accounts under IFRS "Leases". The values were assessed as the value of the fees, discounted using an annual discount rate of 7.26% for an amount of PLN 61,397 thousand in relation to the lease agreement for warehouse space in Zelgoszcz and 6.81% for the amount of PLN 8,851 thousand in relation to the lease agreement for warehouse space in Bydgoszcz. The warehouse space in Bydgoszcz is used by companies in the Group.

In connection with the launch of the warehouse base in Zelgoszcz, on 12 December 2023, a bank guarantee was issued by BNP Paribas Bank Polska S.A. in favour of Castleport Investments sp. z o.o., ul. Towarowa 28, 00-839 Warsaw up to the amount of EUR 1,118 thousand. The guarantee is valid until 30 December 2024.

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

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

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

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

Within the Group, the agreement with AIFM PL XI sp. z.o.o for the long-term lease of warehouse space presented as a lease is continued. At the date of first-time adoption of IFRS 16 "Leases", lease

liabilities were measured at the current value of the remaining payments, discounted using an annual discount rate depending on the currency, subject of use and term of the contracts of 1.67% for the total amount of PLN 3,324 thousand.

Expansion of the Group's activities by traditional sales of bicycle accessories in the store in Warsaw required signing of a contract for the lease of retail space with Okęcie Park sp. z o.o. The contract is presented as lease in the Group based on IFRS 16 "Leases". Lease liabilities were measured at the current value of the remaining payments, discounted using an annual discount rate depending on the EUR currency, subject of use and term of the contracts of 5.04% for the total amount of EUR 959,248.66.

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

There were no other significant off-balance sheet items in the OPONEO.PL Capital Group in 2023.

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

2.7.1. External factors affecting the results

GDP dynamics and inflation

The rate of economic growth in Poland in 2024, will depend on both domestic and external factors. The final level of GDP growth, will be considerably influenced by building consumer demand on the one hand, as well as by an increase in fixed capital formation and an increase in tangible current assets, and by the foreign trade balance on the other. The suppression of price increases will undoubtedly have a direct impact on the development of consumer demand. The stabilisation of prices and the projected fall in inflation should translate into an increase in retail sale, which recorded a 2.7% decrease in 2023²⁶ compared to 2022.

The November GDP projection for Poland for 2024 assumes that the economy will grow by 2.9% and this has been revised upwards by 0.5% from the July 2023 estimate. According to the NBP specialists, factors directly affecting the economy in 2024 include: the continued impact of a negative supply shock related to the war in Ukraine, an economic slowdown in the external environment and a decrease in the absorption of European funds. On the other hand, the favourable elements that will affect the Polish economy include: NBP interest rate cuts and a favourable situation on the labour market. The inflation projection for 2024 presented in the NBP projection, assumes that average annual inflation in 2023 will settle at a level of approximately 4.6%. The decline in inflation is expected to be mainly influenced by the staggered effects of previous declines in energy and agricultural commodity prices, the normalisation of the supply situation abroad and the reduced level of aggregate demand in the economy.²⁷

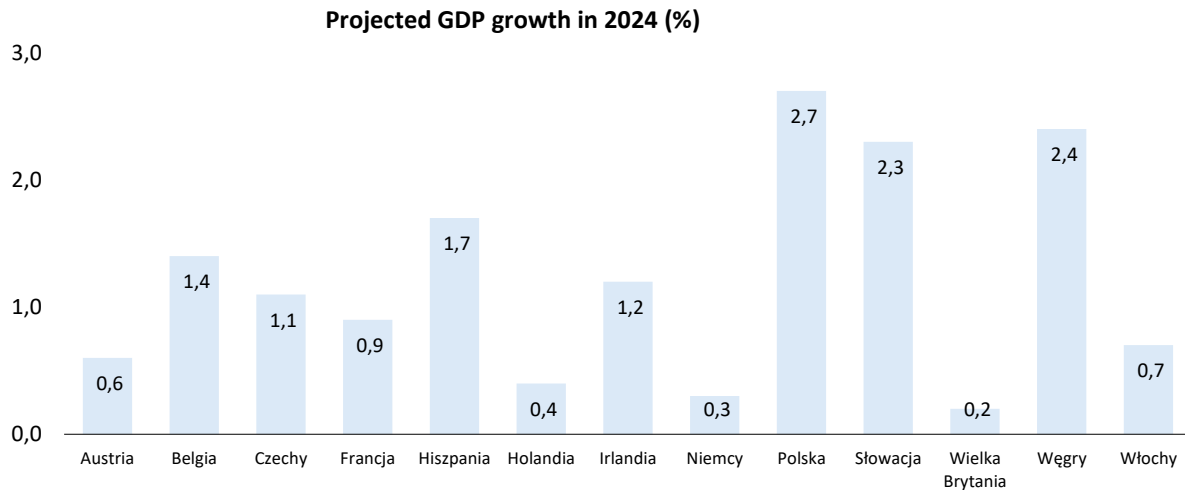
According to the latest estimates published by the European Commission, economic growth in 2024 will reach 0.9% in the European Union and 0.8% in the euro area. The inflation forecast for 2024 is 3.0% for the EU and 2.7% for the euro area. According to EC experts, declining household purchasing power has caused a general stagnation in the economy. The current condition of the economy has also been affected by the collapse in external demand and the strong tightening of monetary policy. It can be said that the European economy has almost approached recession. Towards the end of 2023, however, there were positive developments in the energy commodity market, which lowered the price of energy commodities and reduced inflation. At the same time, the prospect of the commencement of a monetary easing cycle is a positive outlook for the developments in economic growth in 2024.²⁸

The GDP figures projected for 2024 by the European Commission for the EU countries and by the Office for National Statistics for the UK, show values “symbolically” above zero for most countries. Analysts indicate unfavourable external conditions that could have a significant impact on the accomplishment of economic growth forecasts. Continuing geopolitical tensions and the extension of the Middle East conflict into the Red Sea are tilting the balance of risk towards more adverse outcomes. Additional trade disruptions can cause renewed strain on supply chains, hampering production and increasing price pressure.

²⁶ Source: GUS, [stat.gov.pl/obszary-tematyczne/ceny-handel/handel/dynamika-sprzedazy-detalicznej-w-grudniu-2023-roku,14,109.html]

²⁷ Source: NBP, [nbp.pl/projekcja-inflacji-i-pkb-listopad-2023/]

²⁸ Source: European Commission, [economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/winter-2024-economic-forecast-delayed-rebound-growth-amid-faster-easing-inflation_en]



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

Austria	Belgium	Czechia	France	Spain	Netherlands	Ireland	Germany	Poland	Slovakia	UK	Hungary	Italy
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The economic situation in the country and in Europe, undoubtedly indirectly affects the results of the OPONEO.PL Group. The value added generated in the economy, the price level, the volume of consumer demand, the value of net exports, are all correlated with exchange rate fluctuations and the level of interest rates. Their levels already have a direct impact on the Group's result, generating additional revenue or costs.

E-commerce development

E-commerce in 2023 passed the test as after the pandemic, retail trade began to recover without the pandemic restrictions. It turned out that consumer habits and a positive online shopping experience have helped to maintain the growth momentum of the e-commerce market. The remote purchasing market has entered a period of stabilisation and consolidation after a period of rapid growth. The current growth in online sales is not as exponential as in 2020 - 2022, but it is still on an upward trend. Forecasts for the development of e-commerce in Europe indicate a projected growth of approximately 8%-10% per annum over the next few years.²⁹

The e-commerce market, after years of intensive development, is entering a phase of maturity, adapting to new conditions and consumer expectations. Developments in technology and logistics enable ever faster and more efficient delivery, which contributes to the growing popularity of this form of selling. Customers who have already become accustomed to remote purchasing do not want to give it up, even when the economic situation becomes more challenging. At the same time, they start to look for and compare quality, prices and product and manufacturer reviews. Customers are also increasingly making a conscious choice between buying directly from manufacturers or using shopping platforms. Shopping platforms, with their wide assortment and the possibility of comparing offers, continue to be very popular, but an increase in interest in specific brand pages that offer unique products and services is also seen.

The year 2024 and beyond will be marked by the rapid development of artificial intelligence (AI). Many industries have started to implement solutions based on algorithms and artificial intelligence solutions to a large extent. The e-commerce industry also relies on AI-enabled growth. The use of artificial intelligence in e-commerce allows the delivery of a more personalised shopping experience,

²⁹ Source: STATISTA, [www.statista.com/outlook/emo/ecommerce/europe?currency=usd]

tailored to individual customer preferences. AI solutions will improve the customer's interaction with the online store through smart personalisation, enabling communication in natural language. These changes will be visible within tools such as personal assistants (chatbots), smart search engines and recommendation systems. Without tedious browsing through the shop's content or searching for content on help pages, customers will reach the goods and information they are looking for more quickly. Currently, new tools are emerging almost daily to support various areas of e-commerce through the use of AI and machine learning.³⁰

Sustainable development is becoming an extremely important part of the sales strategy. More and more consumers pay attention to the environmental impact of the goods they buy. Before a purchase, customers are beginning to check how the retailer and the manufacturer care for the environment, what the purchased goods are packaged in and the route they take to reach the end consumer. According to the global survey by Nielsen, up to 73% of shoppers would be willing to change their shopping habits if it had a positive impact on the environment.³¹

Bearing in mind the changes and emerging trends in the e-commerce industry, the OPONEO.PL Group keeps track of these changes and improves the sales process in its online stores. By observing the competition, the market and the customers, it is possible to respond quickly to new developments and customer needs. We offer our customers high quality both in the products we offer and in our sales and after-sales service. In our day-to-day service, we are driven by our motto: customer first.

Legal changes in 2024

From 1 January 2024, the minimum tax legislation will come into force after a two-year suspension. Companies will pay it for the first time in 2025 if they have tax losses or do not exceed the 2% break-even point (revenue share). The solution was introduced by the Polish Deal with an amendment to the Corporate Income Tax Act, the aim of which was to tax entrepreneurs if they show a tax loss and do not pay CIT under the general rules. The 2022 amendment to the CIT Act, postponed its effective date to 1 January 2024.

In 2024, the minimum wage will again increase twice in one year. As of 1 January 2024, the minimum wage will rise from PLN 3,600 to PLN 4,242 and the minimum hourly rate - from PLN 23.50 to PLN 27.70. However, from the middle of the year, i.e. from 1 July, the minimum wage and the minimum hourly rate will increase again - to PLN 4,300 and PLN 28.10, respectively. This will be the second year in a row that the minimum wage has increased twice during the year. This means that also in companies of the OPONEO.PL Group in 2024, the minimum wage and the minimum hourly rate will be updated twice.

2.7.2. Planned measures

In 2024, the OPONEO.PL Group plans to:

- consolidate its position as the country's leader in online sales of tyres and rims by further developing sales of these ranges;
- optimising sales in foreign markets;
- improving logistics processes and optimising warehousing, including the launch of automated goods issuing processes;
- developing the sale of bicycles, as well as bicycle parts and accessories through the subsidiary DADELO S.A., including the implementation of an omnichannel strategy by opening traditional stores which also perform the function of showrooms;

³⁰ Source: Manager+, [managerplus.co.uk/e-commerce-in-2024-years-artificial-intelligence-multi-channels-and-new-challenges-16775]

³¹ Source: Nielsen, [nielseniq.com/global/en/insights/analysis/2019/a-natural-rise-in-sustainability-around-the-world/]

- optimising sales of the subsidiary, ROTOPINO.PI S.A. and continuing reorganisation of processes related to logistics and supply chains.
- leading efforts to expand the range of products offered online.

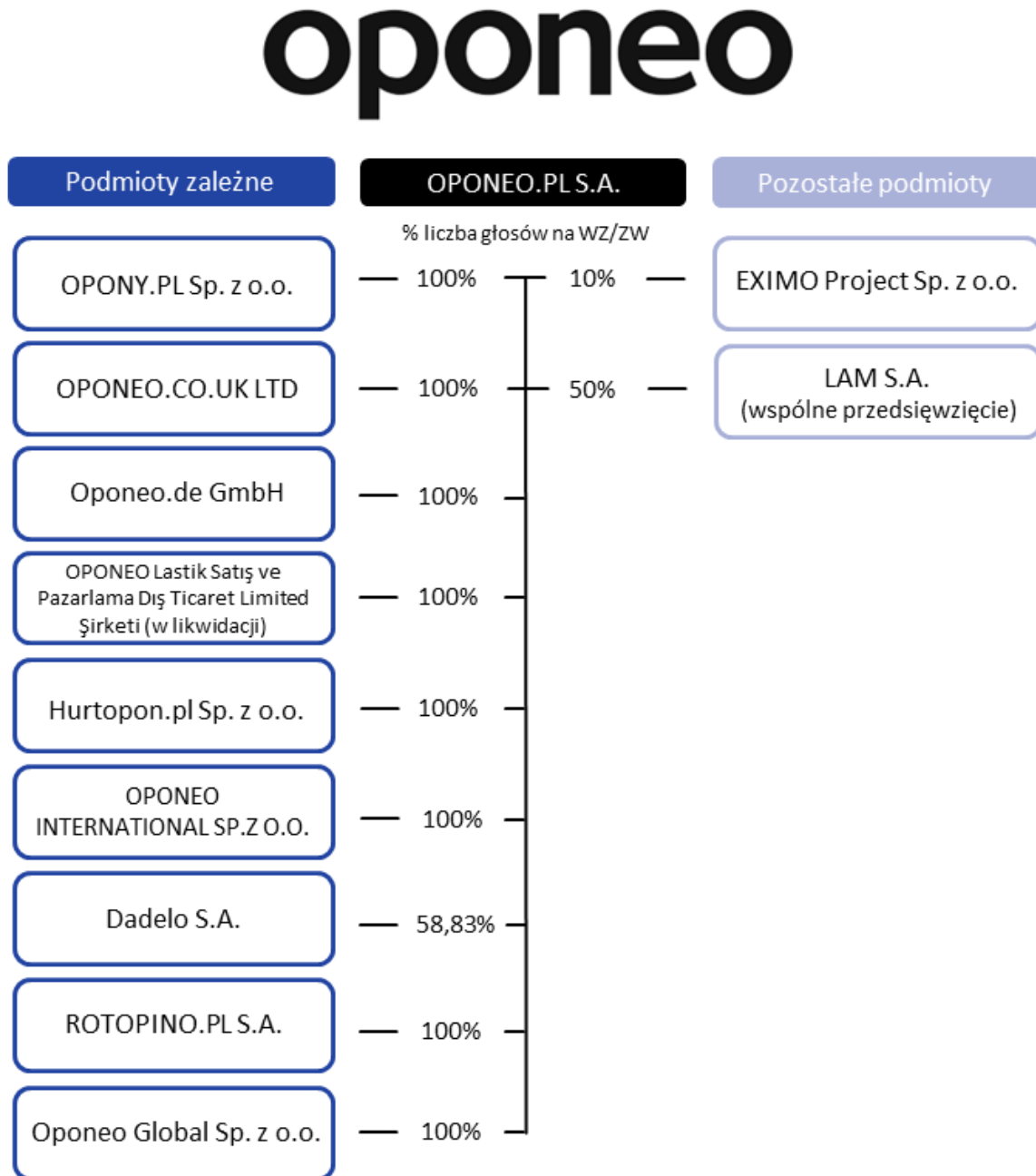
3. ACTIVITIES OF THE OPONEO.PL GROUP IN 2023



3. ACTIVITIES OF THE OPONEO.PL GROUP IN 2023

3.1. STRUCTURE OF OPONEO.PL GROUP

The composition of the OPONEO.PL Group as at 31 December 2023 was as follows:



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

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

Changes in the OPONEO.PL Group in 2023:

On 16 November 2023 the subsidiary, OPONEO GLOBAL Sp. z o.o. was registered.

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

On 22 February 2024, a transaction of disposal of all shares held in EXIMO Project Sp. z o.o. by OPONEO.PL S.A. was registered in the KRS.

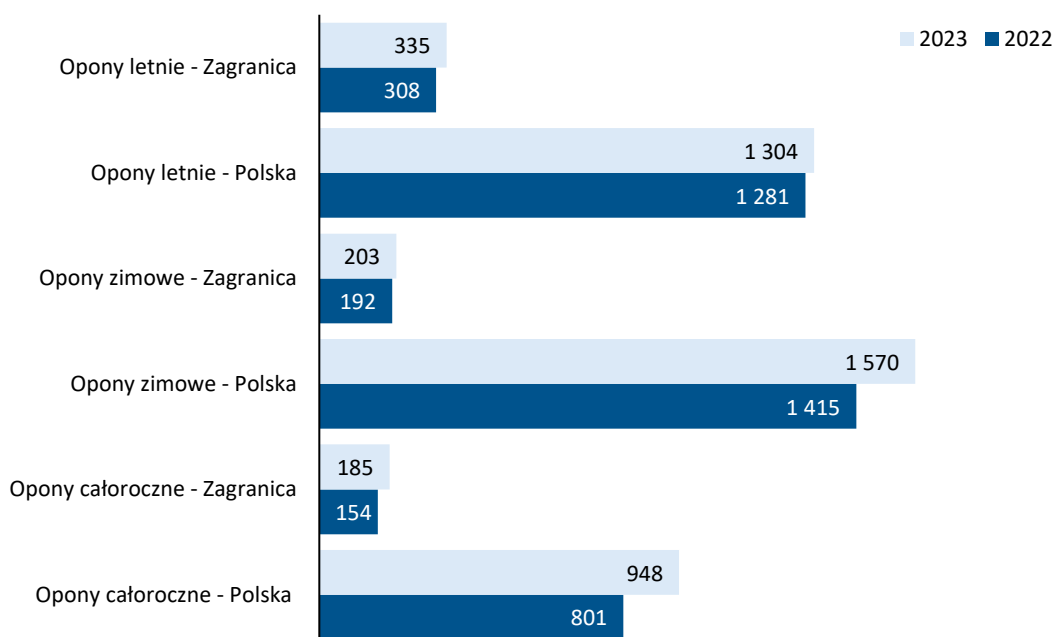
3.2. STRUCTURE OF SALES OF THE OPONEO.PL GROUP

Tyre sales in 2023 in OPONEO.PL Group closed with a volume of 4,544.8 thousand tyres, compared to 4,150.9 thousand in the previous year, an increase of 9.49%. The increase in sales is all the more significant as it was accomplished against a backdrop of falling tyre sales both in Poland and across Europe. The vast majority of tyres sold by the OPONEO.PL Group were sold on the Polish market, where the sales volume amounted to 3,820.8 thousand tyres, i.e. 84.1% of total sales, while 724.0 thousand tyres were sold on foreign markets.

Number of tyres sold by the OPONEO.PL Group	2022			2023			Change YoY - total
	Country	abroad	Total	Country	abroad	Total	
Car tyres	3,473,848	635,434	4,109,282	3,791,797	706,829	4,498,626	9.47%
Motorcycle tyres	22,614	19,057	41,671	28,733	17,215	45,948	10.26%
Truck tyres	25		25	220		220	780.00%
Total	3,496,487	654,491	4,150,978	3,820,750	724,044	4,544,794	9.49%

In the sales structure in 2023, winter tyres traditionally accounted for the largest share at a level of 39.0%. Their total sales in the country and abroad amounted to 1,773 thousand pcs. The sales of summer tyres amounted to 1,639 thousand pcs, accounting for 36.1% of total sales. For several years, the share of summer tyre sales has been declining in favour of all-season tyres. The sales volume of all-season tyres in 2023 amounted to 1,133 thousand pcs., representing an increase in sales of 18.6% and corresponding to 24.9% in the sales structure. The share of all-season tyres in total 2023 sales, compared to the share recorded in 2022, increased by 1.9 percentage points.

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



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

The total sales of rims in the OPONEO.PL Group in 2023 amounted to 154.1 thousand pcs., a decrease of 7.75% compared to the previous year. As every year, significantly more aluminium wheels were sold, accounting for 63.4% of the total volume in the sales structure. At the same time, their share of the structure decreased by 2.4% compared to the previous year.

Number of rims sold by the OPONEO.PL Group	2022			2023			Change YoY - total
	Country	abroad	Total	Country	abroad	Total	
Aluminium rims	89,227	20,615	109,842	83,466	14,181	97,647	-11.10%
Steel rims	40,724	16,486	57,210	42,399	14,058	56,457	-1.32%
Total	129,951	37,101	167,052	125,865	28,239	154,104	-7.75%

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

3.3.1. OPONEO.PL S.A.

Core business

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

As at the date of publication of the annual report, the Company sells tyres and rims online in Poland and in 7 other countries.

At the end of 2023, the following sites were directly owned by the Company:

- Oponeo.pl - the online store selling tyres and rims in Poland, offering tyre delivery to 1,096 tyre replacement services;
- Felgi.pl - the e-store specialising in the sale of alloy rims; the website also has a unique feature - a possibility of a virtual rim fitting;
- Oponeo.cz - the online tyre store in the Czech Republic; cooperates with 51 tyre replacement service points;
- Oponeo.sk - the e-store in Slovakia selling tyres for cars and motorcycles and rims; the store cooperates with 24 tyre fitters;
- Pneus-oponeo.be - the website in French for the sale of tyres and rims in Belgium, cooperating with 190 tyre fitters;
- Banden-oponeo.be - the website in Flemish for the sale of tyres and rims in Belgium;
- Oponeo.es, the website selling tyres, rims and chains on the Iberian Peninsula, cooperating with 1,281 tyre fitters;
- Oponeo.fr - the e-store of tyres, rims and chains for French customers, the stores offers a possibility of delivering tyres to 960 replacement services;
- Oponeo.it - the online store of tyres, rims and chains for Italian customers also offering delivery to 1,590 tyre fitting services;
- Oponeo.nl - the store offering car tyres, steel rims and chains and their possible delivery to 404 tyre replacement stations;
- Oponeo.at - online sale of tyres, steel rims and chains in Austria and possible delivery to 59 tyre replacement stations;
- Oponeo.ie - the e-store for car and motorcycle tyres and steel rims, supplying tyres free of charge in Ireland, also offering delivery to 62 tyre fitting services;
- Oponeo.hu - a website dealing with sale of car and motorbike tyres and alloy rims in Hungary.

At the end of 2023, the Company offered the delivery of tyres to replacement stations in Poland free of charge. In 2023, 7.08% of customers used the online shopping service with the option to book a tyre replacement at the service of their choice .

Sales results

In 2023, OPONEO.PL S.A. sold 4,282.4 thousand tyres, an increase of 9.59% compared to 3,907.6 thousand in the previous year. Domestic sales amounted to 3,820.7 thousand pcs, i.e. 89.2% of total tyre sales. Through overseas sites, the Company sold 461,6 thousand pcs, an increase of 12.3% compared to the sales in 2021. In the structure of tyres sold, car tyres prevailed, accounting for 99.0% of sales. The motorcycle tyre segment recorded an increase of 11.8% reaching sales volumes of 40.9 thousand pcs.

Number of tyres sold by the OPONEO.PL S.A.	2022			2023			Change YoY - total
	Country	abroad	Total	Country	abroad	Total	
Car tyres	3,473,848	397,021	3,870,869	3,791,797	449,382	4,241,179	9.57%
Motorbike tyres	22,614	14,047	36,661	28,733	12,248	40,981	11.78%
Truck tyres	25		25	220		220	780.00%
Total	3,496,487	411,068	3,907,555	3,820,750	461,630	4,282,380	9.59%

In 2023, the Company sold 142.1 thousand of steel and aluminium rims, 10.9% less than in the previous year. The predominant product in the sales structure were aluminium rims with a 65.5% share.

Number of rims sold by the OPONEO.PL S.A.	2022			2023			Change YoY - total
	Country	abroad	Total	Country	abroad	Total	
Aluminium rims	89,227	16,110	105,337	83,466	9,571	93,037	-11.68%
Steel rims	40,724	13,478	54,202	42,399	6,678	49,077	-9.46%
Total	129,951	29,588	159,539	125,865	16,249	142,114	-10.92%

Organisation and Infrastructure

The company has a modern logistics centre in Zelgoszcz near Łódź, covering a total area of 72 thousand m². The warehouse is located close to three main sorting centres of DPD (OPONEO.PL's main partner in the scope of courier services): Stryków sorting plant at a distance of 3 minutes' drive, Warsaw sorting plant - 1.5 hours away and Ruda Śląska sorting plant - 2.4 hours away. This provides a possibility to handle very high volumes per day (at least 50 thousand tyres) to individual customers and to process customer orders quickly. By locating the warehouse in this way, transport costs and distances have been reduced and optimised, which undoubtedly also contributes to lower CO₂ emissions. In 2023, an automatic tyre dispensing line had been installed at the warehouse in Zelgoszcz, which speeded up and improved the quality of service and increased the efficiency of customer order fulfilment.

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

As at 31 December 2023, the Company employed 364 staff, compared to 335 at the end of the previous year, a headcount increase of 8.7%. At the end of 2023, the largest number of employees in the employment structure occurred in the Sales Department reaching 53.0%.

Headcount in OPONEO.PL S.A.	31 December 2022	31 December 2023
Sales Department	183	193
IT	85	94
Warehouse	0	0
Other departments	67	77
Total	335	364

Awards and distinctions

In 2023, OPONEO.PL S.A. was once again recognised by its customers and awarded the Consumer Quality Leader distinction.

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

For the project “Ranking of Driver Friendly Cities”, the Company received the semKRR Awards 2023 for taking first place in the Best SEO Campaign category.

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

3.3.2 Activities of other companies

Opony.pl Sp. z o.o.

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

On 1 June 2023, the Opony.pl Company launched a vulcanisation and car mechanics service in Bydgoszcz. In addition to replacement of tyres, the service offers comprehensive maintenance, diagnostics and repair services.

As at 31 December 2023, the equity of the Company amounted to PLN 1,534.9 thousand compared to PLN 1,130.2 thousand a year earlier. In 2023, the Opony.pl Company recorded the net profit of PLN -138.8 thousand, while in the previous year it generated the net profit of PLN 150.1 thousand.

As at 31 December 2023 Krzysztof Huss acts in the capacity of the President of the Management Board.

HURTOPON.PL Sp. z o.o.

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

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

As at 31 December 2023, the share capital of this company amounted to PLN 360 thousand and has not changed during the year.

As at 31 December 2022, the equity of the Company amounted to PLN 231.8 thousand compared to PLN 238.9 thousand a year earlier. In 2023, the Company generated the net profit of PLN -8.8 thousand compared to PLN 56.1 thousand in 2022.

In 2023, Krzysztof Huss acted in the capacity of the President of the Company. The Management Board of the Company was a single-person board.

OPONEO.CO.UK LTD

The core business of OPONEO.CO.UK LTD, with its registered office in London, is the online retail sales of automotive supplies, tyres and vehicle parts. The company operates in the United Kingdom through the Oponeo.co.uk platform. The average delivery time of goods purchased in the territory of the United Kingdom is 2-5 working days. At the end of 2023, the Company cooperated with 653 tyre fitting service providers which it supplies with tyres free of charge. The British market is one of the largest markets for replacement tyres in Europe (according to the European Automobile Manufacturers Association).

At the end of 2023, the Management Board of the Company consisted of:

- Dariusz Topolewski - President of the Management Board,
- Ernest Pujso - Member of the Management Board,
- Arkadiusz Kocemba - Member of the Management Board.

As at 31 December 2023, the Company's share capital amounted to GBP 100. At the end of 2023, the assets of OPONEO.CO.UK LTD amounted to PLN 4,151.1 thousand (at the end of 2022, PLN 5,269.2 thousand). The company closed 2023 with a result of PLN -284.2 thousand, compared to the profit of PLN 35.5 thousand in the previous year.

Oponeo.de GmbH

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

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

As at 31 December 2023, the Company's share capital amounted to GBP 25 thousand. The assets of the Company amounted to PLN 4,233.5 thousand, compared to PLN 4,517.2 thousand at the end of the previous year. In 2023, the Company recorded the net profit of PLN 237.0 thousand, compared to the net profit of PLN 43.1 thousand generated in the previous year.

In 2023, Krzysztof Huss acted in the capacity of the President in a single-person Management Board.

OPONEO Lastik Satış ve Pazarlama Dış Ticaret Limited Şirketi

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

Dadelo S.A.

Dadelo S.A. with its registered office in Bydgoszcz is a bicycle retailer and at the same time the largest seller of bicycle parts on-line through the domain Dadelo.pl and Centrumrowerowe.pl. In addition, the e-store's offer also includes clothing and footwear for cycling enthusiasts, electronic devices (such as cycle counters, heart rate monitors, watches, GPS), as well as nutrition and cosmetics. In total, the e-store offers more than 20 thousand products with a unique digital identifier. The

company cooperates with 317 bicycle pick-up points, where customers can collect their purchased bicycle ready to ride.

On 1 April 2023, the first traditional store of Dadelo S.A. was opened in Warsaw. In an area of almost 2,700 m², solutions dedicated to recreational riders, enthusiasts and professional cyclists have been prepared. The store features more than 700 models of top brands of bicycles and a special test track allows customers to test their riding comfort in various off-road conditions. A professional bicycle service is also located in the store.

In 2023, the Management Board of the Company consisted of the following members:

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

As at the end of 2023, the share capital of the Company amounted to PLN 2,334.7 thousand and the Company's assets to PLN 141,435.7 thousand, compared to PLN 119,684.6 thousand in the previous year. According to IAS standards, the Company closed 2023 with the result of PLN -438.9 thousand, compared to PLN 3,916.6 thousand in 2022. The Company is listed on the Warsaw Stock Exchange.

ROTOPINO.PL S.A.

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

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

In 2023, the Management Board of the Company consisted of the following members:

- Paweł Sznajder - President of the Management Board (until 31 May 2023),
- Agnieszka Kozieł - Member of the Management Board (until 31 May 2023),
- Anna Muller - Member of the Management Board,
- Arkadiusz Kocemba - Member of the Management Board (from 1 June 2023 to 6 March 2024),
- Ernest Pujszo - Member of the Supervisory Board (delegated to temporarily perform the duties of Member of the Management Board until 31 August 2023),
- Andrzej Przybylski - Member of the Management Board (from 01 September 2023).

As at 31 December 2023, the capital of the Company amounted to PLN 1,000 thousand, whereas the Company's assets showed a balance of PLN 23,517.6 thousand, compared to PLN 32,984.1 thousand in 2022. The Company closed 2023 with the net loss of PLN -4,119.4 thousand, compared to PLN -1,561.1 thousand in the previous year.

Oponeo International sp. z o.o.

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

As at 31 December 2023, the Company's share capital amounted to PLN 150 thousand, while the Company's assets closed at PLN 2,955.4 thousand. In 2023, the Company generated the profit of PLN 71.5 thousand, compared to PLN 44.9 thousand in the previous year.

In 2023, Krzysztof Huss acted in the capacity of the President in a single-person Management Board.

Oponeo Global Sp. z o.o.

The Company was entered in the KRS on 16 November 2023. The main subject of the Company operations is the retail sales of parts and accessories for vehicles. The share capital as at 31 December 2023 was PLN 100.0 thousand.

In 2023, the Management Board of the Company consisted of the following members:

- Dariusz Topolewski - President of the Management Board,
- Arkadiusz Kocemba - Member of the Board,
- Ernest Pujso - Member of the Management Board.

3.4. KEY BUSINESS RISKS

3.4.1. Financial risk

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

- Currency risk

Currency risk - the Group conducts trading outside Poland, mainly in the territory of the European Union, resulting in currency fluctuations affecting the results achieved by it. The Group seeks to balance income and expenses in a given currency and enters into *forward* hedging contracts for payments and receivables in foreign currencies. The amount of foreign currency purchases is estimated approximately 3-5 months in advance of the current selling season. This is the moment when the national corporations announce their price lists and present their purchasing terms. These elements serve as a benchmark for deciding on the volume of foreign currency purchases. When calculating purchase prices in PLN, the exchange rates at the time of estimating the volume of purchases are used. In terms of servicing and hedging foreign exchange transactions, the Parent Company cooperates with BNP Paribas Bank Polska SA.

- Interest rate risk

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

- Credit risk

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

- Liquidity risk

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

3.4.2. Risk associated with the macroeconomic situation

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

- the rate of economic growth and the contribution of consumption to the creation of GDP growth - an increase in the level of affluence of society and a situation favourable to purchasing decisions translate into an increase in demand for means of transport and their equipment. The economic recession, on the other hand, can lead to:
 - reduction in demand for tyres and other car accessories and a fall in their prices and dealer margins; at the same time, the low number of new registrations may have a positive impact on medium-term tyre demand associated with the replacement of old tyres with new ones;
 - reducing the mileage of individual means of transport due to the lack of funds for their maintenance; this will result in less wear and tear on tyres, thereby reducing the need to replace them.
- monetary policy, including the level of interest rates, which, together with banks' lending policies, determine the level of credit purchases;
- situation on the currency markets and the exchange rate of the zloty - a significant depreciation of the zloty, affecting the increase in the prices of imported goods, may translate into a decrease in demand for imported cars and accessories. The depreciation of local currencies in relation to the euro and the dollar, for which the OPONEO.PL Group buys the products it sells, adversely affects the Group's competitive position in local markets;
- increases in raw material prices, primarily oil and rubber, which will lead to higher tyre prices;
- overproduction of tyres, which could result in a drop in tyre prices;
- increasing competition in the market - low barriers to entry for online stores can lead to increased competitive pressure and falling margins.

3.4.3. Strategic risk

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

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

3.4.4. Operational risk

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

- IT risks, i.e. problems related to:
 - ensuring the operational continuity of applications - potential problems with the proper functioning of IT systems could mean reduced volumes or even prevent sales. To prevent

such a situation, the Group uses high-quality IT equipment with a low failure rate and protects itself by fully multiplying hardware and software;

- potential intrusions into systems - connecting IT systems to the Internet creates the risk of exposure to computer crimes committed via the network, such as hacking into and damaging or destroying a computer system or blocking services (*denial of service*). The Group does not underestimate these risks and maintains a team of people responsible for portal security and has appropriate security systems and procedures in place;
- risk of problems related to logistics, availability of goods in stock, picking and proper packaging of goods, cooperation with couriers;
- risks associated with overstocking - this is a risk resulting from an inadequate assessment of the situation, e.g. the weather - large tyre stocks generate additional costs and cause tyre ageing;
- risk associated with the concentration of the mass of goods in a single location - potential force majeure events (fire, flood, etc.) would result in a serious disruption to the continuity of supply to customers. In order to mitigate potential negative effects of this risk factor, a system has been put in place to systematically back up all information and possibly immediately restore the IT network on a contingency basis. The latest fire safety measures, approved by both the fire brigade and the insurance company, have been implemented in the new logistics centre. Appropriate insurance contracts have also been concluded to guarantee coverage of any losses;
- risk of outflow of qualified staff - lack of qualified staff can lead to an increase in procurement errors.

3.4.5. Legal risk

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

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

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

3.4.6. Geopolitical risks

The Issuer does not operate in the Russian market and has no operations located in Ukraine. The ongoing war in Ukraine has had a major negative impact on the entire European and global economy. Although most countries have managed to diversify their sources of energy supply and become independent of Russia, the disruptions that have occurred have resulted in higher commodity prices and ultimately higher inflation. In 2023, the Middle East conflict additionally erupted, the effects of which are also experienced in the economy. 2023 was marked by high interest rates across Europe and a slight deceleration in the dynamics of inflationary processes. At the same time, there is a

chance that inflation will gradually decline this year, although this will depend on the impact of internal and external factors. A deceleration in investment was also recorded, which will have an impact on economic growth in future periods both in Europe and globally. The decline in retail sales shows a reduction in consumption, which may temporarily be beneficial for controlling inflation, but at the same time will not allow a rapid return to dynamic GDP growth.

3.5. CUSTOMER RELATIONS AND COOPERATION WITH SUPPLIERS

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

- the Group's offering in all markets includes approximately 96.0 thousand tyres, including 5.6 thousand models from 259 manufacturers.
- shipping costs - surveys show that these are some of the main factors encouraging individual customers to buy online. Most of the stores belonging to the OPONEO.PL Group deliver the purchased goods to the customers free of charge;
- speed of delivery - in the territory of Poland, purchased goods are usually delivered within 24 hours;
- form of payment - customers can use various forms of payment, including - in some stores - instalment purchases;
- information - the Group's portals provide customers with the largest database of information and opinions on automotive issues in Poland. Customers can also benefit from various guides on the selection and use of tyres. This information also includes tests of newly launched products carried out by specialists from the OPONEO.PL Group;
- fitting - in many countries, the OPONEO.PL Group offers its customers a possibility of having their orders delivered to a tyre replacement service. At the end of 2023, this network consisted of 6.4 thousand fitting points.

Customers rate the quality of the Group's services highly, as evidenced by the average ratings of customers of OPONEO.PL Group companies participating in the Opineo Programme *I Listen to My Customers*. In the 2023 e-commerce service quality ranking, the Oponeo.pl store took the 1st place in the Automotive category and the Centrumrowerowe.pl store took the 3rd place in the Sport category.

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

*rating on a five-point scale

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



Due to the business profile of the OPONEO.PL Group, the main suppliers are tyre manufacturers and wholesalers. In 2023, no manufacturer has reached the threshold of at least 10% of revenue.

3.6. HEADCOUNT

As at 31 December 2023, the OPONEO.PL Group employed the total of 562 employees. Throughout the year, the headcount increased by 77 persons. The increase in employment was primarily due to an increase in the scale of Dadelo S.A.'s operations, including the opening of the traditional store in Warsaw and the launch of a vulcanisation and car mechanics service by Opony.pl Sp. z o.o. in Bydgoszcz.

Employment in the OPONEO.PL Group	31 December 2022	31 December 2023
Sales Department	240	283
IT	92	95
Warehouse	34	52
Other departments	119	132
Total	485	562

3.7. OTHER INFORMATION

3.7.1. Disputable cases

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

In 2023, as well as by the date of submission of the periodic report concerned, there were no proceedings pending or in progress before any court, the authority competent for arbitration proceedings or the public administration body concerning liabilities or receivables of the Company and its subsidiaries in the OPONEO.PL Group.

3.7.2. Transactions with related parties

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

In the financial statements of the OPONEO.PL Group for the period from 1 January to 31 December 2023, mutual transactions of fully consolidated related parties have been eliminated.

4. CORPORATE GOVERNANCE



4. CORPORATE GOVERNANCE

4.1. PRINCIPLES AND SCOPE OF APPLICATION OF CORPORATE GOVERNANCE

4.1.1. Set of corporate governance principles

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

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

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

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

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

In 2023, the Company continued to maintain the website addressed to investors where it makes available all information about the Company necessary for a proper assessment of its standing and prospects, including data on financial performance, actions taken by the Management Board and other significant events concerning the operations of the Company. Data published in the investor relations service of OPONEO.PL S.A: www.ir.oponeo.pl/ are updated on an ongoing basis.

4.1.2. Waiver of application of corporate governance rules

In 2023, the Company did not apply the following principles indicated in the *Best Practice for WSE Listed Companies 2021*:

Principle	Commentary of OPONEO.PL S.A.
1. Disclosure policy, investor communications	
<p>1.3. The company also integrates ESG factors in its business strategy, including in particular:</p> <p>1.3.1. environmental factors, including measures and risks relating to climate change and sustainable development;</p>	<p>The principle is partially applied. The Company is not required to publish the Statement on non-financial data as required by the amendments to the Accounting Act of 29 September 1994 (consolidated text, Journal of Laws of 2023) and arising from Directive (EU) 2022/2464 of the</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.

European Parliament and of the Council of 14 December 2022. OPONEO.PL does not meet the requirements set out in the Accounting Act requiring the preparation of such a document, either at the level of the Parent Company, OPONEO.PL S.A. or at the level of the OPONEO.PL Group. However, OPONEO.PL S.A., while supporting the intention of increasing the transparency of social and environmental information, acting in the spirit of sustainable development and analysing the dynamic growth of the OPONEO.PL Group prepares and publishes a document "Non-financial aspects of OPONEO.PL operations" in the annual reports of the Management Board, which addresses climate change and sustainable development issues, as well as social and labour issues. The aforementioned document is also published separately on the Company's corporate website www.ir.oponeo.pl under the CSR tab.

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

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

2. Management Board and Supervisory Board

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

The principle is not applied to the extent that a diversity policy with regard to the management board and the supervisory board should be adopted by the supervisory board or the general meeting, respectively, and due to the extent of gender diversity - the Company does not meet the condition of diversity in the Company's bodies at a level of not less than 30%. Nevertheless, as at the date of publication of the 2023 annual report 43% of the Company's employees were women. The company aims to ensure diversity in gender, educational direction, age and work experience. The Company has in place a Diversity Policy adopted by the Management Board that applies to all employees of the Company and incorporates policies that support anti-discrimination in employment. To this end, internal regulations have been developed to enhance diversity and

provide equal opportunities for professional development among those employed. OPONEO.PL S.A. as a company with international range of operations employs people of different nationalities.

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

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

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

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

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

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

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

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.

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

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

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

3. Internal systems and functions

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

The principle does not apply to the Company. Separation within the structure of units responsible for the tasks of individual systems or functions is not justified given the nature of the activity. Such activities are effectively implemented by individual organisational units of the Company or specialised external entities (without a dedicated unit for this purpose).

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

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

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

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

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

The principle is not applied because, as indicated in the justification for not applying principle no. 3.2, no separate positions responsible only for risk management, internal

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

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

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

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

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

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

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

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

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

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

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

4. General meeting, shareholder relations

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

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

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

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

6. Remuneration

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

The principle does not apply to the Company.

creation, sustainable development and the company's stability.

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

The principle does not apply to the Company.

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

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

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

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

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

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

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

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

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

4.3. SHARES AND SHAREHOLDING

4.3.1. Structure of shareholding

As at 31 December 2023, the share capital of OPONEO.PL S.A. amounted to PLN 13,936 thousand and was divided into:

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

In 2023, the value of the Company's share capital remained unchanged.

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

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

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

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

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

o.o. acquired 635 601 shares representing 4.56% of the share capital and authorising to 4.56% of the total number of votes at the Company's general meeting.

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

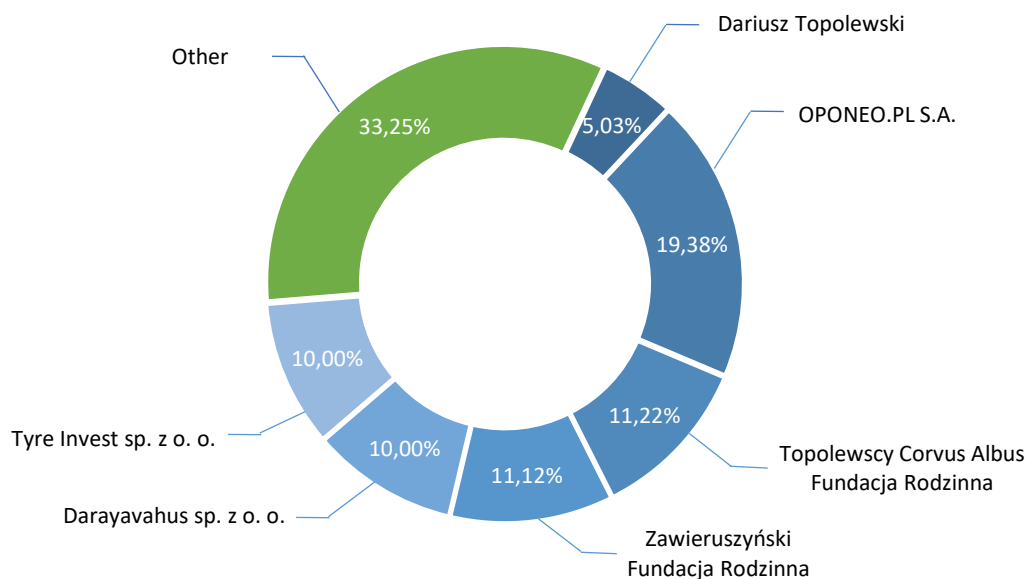
The list of shareholders holding directly or indirectly, through subsidiaries, at least 5% of the total number of votes at the General Meeting of OPONEO.PL S.A. was as follows:

Shareholder	29 April 2024		31 December 2023		31 December 2022	
	Number of shares and votes at the general meeting	Share in the share capital and in the number of votes at the general meeting in %	Number of shares and votes at the general meeting	Share in the share capital and in the number of votes at the general meeting in %	Number of shares and votes at the general meeting	Share in the share capital and in the number of votes at the general meeting in %
OPONEO.PL S.A.	2,700,220	19.38	2,700,220	19.38	-	-
Topolewscy Corvus Albus Rodzinna Fundacja	1,564,399	11.22	-	-	-	-
Zawieruszyński Fundacja Rodzinna	1,550,646	11.12	-	-	-	-
Darayavahus sp. z o. o.	1,393,601	10.00	-	-	-	-
Tyre Invest sp. z o. o.	1,393,601	10.00	-	-	-	-
Dariusz Topolewski*	701,592	5.03	2,901,592	20.82	2,901,592	20.82
Ryszard Zawieruszyński**	263,253	1.89	2,784,654	19.98	2,784,654	19.98
Generali PTE S.A.	-	-	1,519,948	10.91	1,963,005	14.09
AEGON OFE	-	-	-	-	1155000	8.29
TFI Allianz Polska S.A.	-	-	-	-	714,551	5.13
Other	4,368,688	31.36	4,029,586	28.91	4,417,198	31.69
Total	13,936,000	100.00	13,936,000	100.00	13,936,000	100.00

*As at the date of publication of the report, Dariusz Topolewski held, directly and indirectly through FR DT and Darayavahus, 3,659,592 shares representing 26.26% of the share capital and the number of votes at the General Meeting.

**As at the date of publication of the report, Ryszard Zawieruszyński held, directly and indirectly through FR RZ and Tyre 3,207,500 shares representing 23.02% of the share capital and the number of votes at the general meeting.

Shareholding structure of OPONEO.PL S.A., status as at 29 April 2024*



*Date of publication of this report

As at 20 April 2024, the Company was not aware of any agreements which could in the future result in the change in proportions of shares held by existing shareholders.

4.3.2. Shareholding of the supervisory and management staff

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

Shareholder	29 April 2024		31 December 2023		31 December 2022	
	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 (directly)	701,592	5.03	2,901,592	20.82	2,901,592	20.82
Dariusz Topolewski (indirectly via FR DT and Darayavahus)	2,958,000	21.23	-	-	-	-
Arkadiusz Kocemba	91,996	0.66	-	-	-	-
Wojciech Topolewski	60,000	0.43	60,000	0.43	59,780	0.43
Michał Butkiewicz	17,093	0.12	17,093	0.12	17,093	0.12
Adam Knothe	1,180	0.0	-	-	-	-

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

4.3.3. Buy-back of treasury shares

During the reporting period, the share buyback programme was implemented in two periods. From 13 June to 19 June 2023, in accordance with the Regulations of the share buy-back programme of OPONEO.PL S.A. adopted on 07 June 2023, published in current report No. 16/2023. In the execution of the buyback, the Company purchased 330,000 treasury shares at a uniform price of PLN 45.00 per treasury share.

The acceptance of offers to sell shares in OPONEO.PL S.A. as part of the buy-back of treasury shares settled on 06 November 2023 was carried out from 23 October to 30 October 2023. The buy-back of treasury shares was carried out in accordance with Resolution No. 5 of the Extraordinary General Meeting of Shareholders of 16 October 2023 on authorising the Company's purchase of treasury shares up to a total of 2,200,000 shares, i.e. 15.79% of the share capital. In the execution of the buyback, the Company purchased 2,200,000 treasury shares at a uniform price of PLN 40.00 per treasury share.

As at 31 December 2023 the Company held the total of 2,700,220 treasury shares, representing 19.38% of share in the share capital of the Company and authorising to exercise 2,700,220 votes at the General Meeting of the Company, representing 19.38% of the total number of votes at the General Meeting of the Company.

The treasury shares acquired by the Company may be used for resale or for reducing the share capital through the redemption of shares.

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

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

4.3.5. Share quotations

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

2023 on the WSE can be considered a successful year. While analysing the main stock indices, it should be emphasised that the mWIG40 posted the highest gain of 39.3%, compared to a 21.5% decline in 2022. The main stock market index, WIG increased by 36.5%, compared to a decrease of 17.1% in the previous year. The sWIG80 mid-cap index recorded an increase of 30.9%, compared to a 12.8% decline in the previous year. At the end of 2023, the WIG20 index of the WSE biggest companies also recorded a strong growth, rising by 30.8%, compared to a 20.95% decline in 2022.

In 2023, the share price of OPONEO.PL S.A. at the close of the session on the WSE fluctuated between PLN 35.20 (recorded on 4 January) and PLN 49.50 (at the session on 28 January). On the last trading day of 2023, i.e. 29 December, the share price of OPONEO.PL S.A. was PLN 49.10.

In 2023, the average trading volume of OPONEO.PL S.A. shares on the WSE was 4689 shares.

As at 31 December 2023, the market value of OPONEO.PL S.A. was PLN 684.3 million, while the book value was amounted to 195.9 million.

The C/WK (price/book value) ratio was 3.49 and C/Z (price/profit) was 11.69.

4.3.6. Dividend

On 19 April 2023 the Management Board of the OPONEO.PL S.A. adopted the resolution concerning the change of the existing Dividend Policy announced in the current report no. 24/2022 of 14 April 2022. In accordance with the adopted Dividend Policy, the Management Board of OPONEO.PL S.A. will recommend to the General Meeting of the Company the payment of dividends in the amount ranging from 10% to 100% of the net profit gained for a given financial year. When recommending the distribution of the Company's net profit, the Management Board of OPONEO.PL S.A. will take into account the current and projected market situation, the financial and liquidity position of the Company and the Capital Group, as well as the development prospects and related investment needs.

On 17 May 2023, the Annual General Meeting, by Resolution No. 8 on the distribution of profit for the financial year from 1 January 2022 to 31 December 2022, decided to allocate PLN 2.00 per share for the payment of dividend.

The day of the right to dividend has been established on 26 May 2023 and the dividend payment day has been established on 05 June 2023. The dividend was paid to shareholders.

Dividend	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net profit of OPONEO.PL S.A. (in PLN thousand)	2,735.5	3,605.3	9,801.0	15,889	16,712	16,832	17,006	25,361	58,928	40,509.6
Dividend from profit of the year (in PLN thousand)	383.9	638.1	1,276.3	2,787.2	4,877.6	5,574.4	1,393.6	13,936.0	18,772.8	27,531.6
Dividend per share (PLN)	0.03*	0.05*	0.10*	0.2	0.35	0.4	0.1	1	1.36	2
Dividend record day	2014-07-03	2015-07-03	2016-07-11	2017-07-03	2018-07-03	2019-07-03	2020-07-15	2021-07-14	2022-05-18	2023-05-26

4.4. STATUTES AND STATUTORY AUTHORITIES

4.4.1. Amendment of the Articles of Association

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

In 2023, the General Meeting of Shareholders of OPONEO.PL S.A. did not adopt any resolutions on amendments to the Company's Articles of Association.

4.4.2. General Meeting

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

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

The Ordinary General Meeting should deal with:

- examination and approval of the report of the Management Board on activities of the Company and the approval of the financial statements of the Company for the previous financial year,
- adopting the resolution on profit distribution or loss coverage,
- granting the acknowledgement of the fulfilment of duties to members of the governing bodies of the Company.

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

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

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

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

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

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

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

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

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

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

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

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

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

4.4.3. Supervisory Board

Principles of appointment and dismissal

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

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

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

Composition

In 2023, the Supervisory Board of OpONEO.PL S.A. consisted of the following members:

- Monika Siarkowska - Chairwoman of the Supervisory Board,
- Krzysztof Barczewski - Member of the Supervisory Board (from 30 October 2023),
- Krzysztof Bednarek - Member of the Supervisory Board,
- Lucjan Ciaciuch - Member of the Supervisory Board,
- Michał Kobus - Member of the Supervisory Board (until 11 July 2023),
- Rafał Markiewicz - Member of the Supervisory Board (from 12 July 2023),
- Adam Knothe - Member of the Supervisory Board (from 31 October 2023).

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

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

Competence

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

- permanent supervision of the activities of the Management Board and submission of the annual reports on activities of the Supervisory Board to the General Meeting,
- examination and assessment of reports referred to in art. 395§2(1) of the Code of Commercial Companies, in terms of their compliance with ledgers and documents as well as with the state of affairs,
- providing opinions on the annual and interim reports of the Management Board and motions of the Management Board concerning profit distribution and allocation,
- representing the Company in disputes and in concluding contracts between the Management Board or a Member of the Management Board and the Company, suspending the functions of individual Members of the Management Board for important reasons,
- providing opinions on motions of the Management Board concerning establishing of new companies, joining existing companies and economic organisations, purchase and sale of shares and interests in other companies,
- providing opinions on interim economic plans of the Company,
- approval of establishing of new companies, joining existing companies and economic organisations, purchase and sale of shares and interests in other companies, establishing and closing of branches, plants, subsidiaries, agencies, enterprises,
- approval of economic plans of the company and periodic plans of its development,
- examination and adjudication of motions of the Management Board,
- approval of acquisition, disposal and encumbrance of real estate or shares in real property,
- determining the remuneration of Management Board members,
- approval of the Company budget,
- appointment and dismissal of statutory auditors to perform audits of annual financial statements of the Company, and approval of significant changes in accounting procedures, unless such changes arise from the applicable legal regulations,
- approval of undertaking business in new economic sectors, unless such business arises from the adopted annual plan of the Company,
- approval of contracts with entities associated with any Management Board member by means of ownership, marriage or relationship,

- approval of rules of procedure of the Management Board,
- assignment of Supervisory Board member or members to perform temporarily the activities of the Management Board, in case of suspending of members of the Management Board or the entire Management Board,
- authorising the Management Board to appoint proxies,
- approval of disposal and/or lease, encumbrance, pledge of Company assets of the value exceeding 10% of the Company share capital, unless such operations arise from the approved annual plan of the Company or its business plan, covering the entire activities of the Company or a part thereof,
- convening of the Ordinary General Meeting unless the Management Board convenes it at the time set in the Articles of Association,
- convening of the Extraordinary General Meeting, at any time the Council considers it is justified and the Management Board fails to convene the General Meeting within two weeks of submission of the relevant request by the Supervisory Board,
- appointing and dismissing members of the Audit Committee and adopting the rules of procedure of the Audit Committee;
- approval of advance payment on account of the expected dividend.

Audit Committee

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

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

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

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

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

As at 31 December 2023 and as at the date of this report, the Audit Committee comprised:

- Lucjan Ciaciuch – Chairman of the Audit Committee,
- Monika Siarkowska – Member of the Audit Committee,
- Adam Knothe - Member of the Audit Committee (from 31 October 2023).

Lucjan Ciaciuch - Chairman of the Audit Committee meets the statutory criteria of independence and has knowledge and skills in the scope of accounting and auditing financial statements. He runs the auditing firm Uni-Rach-Audyt, Lucjan Ciaciuch, registered with the Polish Chamber of Statutory Auditors under number 3687. He previously worked, among others, as: Finance Director at PBPP Piecobudowa-Bydgoszcz and Director of the Finance Department at the Voivodship Office in Bydgoszcz. Graduated from the Faculty of Law and Administration at the Nicolaus Copernicus

University in Toruń. He is qualified as a statutory auditor registered in the list of entities authorised to audit financial statements under registration number 500/4802 and qualified as a trustee and liquidator of companies.

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

Adam Knothe - Member of the Audit Committee meets the statutory criteria of independence. He currently serves as President of the Management Board of Budstol Invest Sp. z o.o., Budstol Invest GW Sp. z o.o., My 1St place Poznań Sp. z o.o., AWJ Holding Sp. z o.o. and Future Properties Remt Sp. z o.o.. Previously, he supervised the distribution and sales at Strauss Cafe Poland Sp. z o.o., Elite Cafe Sp. z o.o. and managed sales development in the Kujawsko-Pomorskie region at Goman Polska Sp. z o.o. He is a graduate of the University of Technology and Agriculture in Bydgoszcz and holds a master's degree in Agricultural Economics.

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

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

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

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

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

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

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

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

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

The audit firm auditing the financial statements of the Company and the OPONEO.PL Group for 2023, i.e. HLB M2 AUDIT PIE spółka z ograniczoną odpowiedzialnością (hereinafter referred to as HLB M2), was selected by the Supervisory Board in accordance with the applicable regulations, including those concerning the selection and procedure for the selection of an audit firm.

The Audit Firm and the members of the team performing the audit met the conditions for the preparation of an impartial and independent report on the audit of the financial statements of the Company and OPONEO.PL Capital Group for 2023 in accordance with the applicable regulations, standards of professional conduct and principles of professional ethics.

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

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

4.4.4. Management Board

Composition

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

As at 31 December 2023, the Management Board of OPONEO.PL S.A. was composed of:

- Dariusz Topolewski - President of the Management Board,
- Michał Butkiewicz - Member of the Management Board,
- Ernest Pujso - Member of the Management Board,

- Wojciech Topolewski - Member of the Management Board.

On 20 March 2024, a new member of the Management Board, Arkadiusz Kocemba, was appointed (current report 10/2024 of 20 March 2024).

Competence

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

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

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

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

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

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

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

4.4.5. Remuneration of statutory authorities

Information on the remuneration paid or payable to the management and supervisory staff of OPONEO.PL S.A. is presented in the Group's consolidated financial statements for 2023 in section 5.8 of the statements.

4.5. DIVERSITY POLICY

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

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

4.6. ENTITY AUTHORISED TO AUDIT FINANCIAL STATEMENTS.

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

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

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

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

Remuneration of the entity authorised to audit financial statements	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Audit of the annual financial statements and consolidated financial statements of the parent company	75	53
Audit of annual financial statements of the subsidiaries	72	67
Other certifying services, including the review of the financial statements / consolidated financial statements of the parent company	45	31
Other certifying services, including the review of the financial statements / consolidated financial statements of subsidiaries	23	24
Evaluation of the annual report on the remuneration of the Management Board and the Supervisory Board	0	3
Other services	0	0
Total	215	178

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

The Management Board of OPONEO.PL S.A., on the basis of the statement of the Supervisory Board of OPONEO.PL S.A. Concerning the entity authorised to audit the annual separate financial

statements of the Company and the annual consolidated financial statements of the OPONEO.PL Group, informs that:

- The audit firm auditing the financial statements of the Company and the OPONEO.PL Group for 2023, i.e. HLB M2 AUDIT PIE spółka z ograniczoną odpowiedzialnością (hereinafter: the "Audit Firm"), was selected by the Supervisory Board in accordance with the applicable regulations, including those concerning the selection and procedure for the selection of the audit firm.
- The Audit Firm and the members of the team performing the audit met the conditions for the preparation of an impartial and independent report on the audit of the financial statements of the Company and OPONEO.PL Capital Group for 2023 in accordance with the applicable regulations, standards of professional conduct and principles of professional ethics.
- The Company complies with the applicable regulations related to the rotation of the audit firm and the key statutory auditor as well as the mandatory grace periods.
- The Company has the policy on the selection of the audit firm and the policy on the provision of additional non-audit services to the Company by the audit firm, an affiliate of the audit firm or a member of its network, including services conditionally exempted from the prohibition to perform services by the audit firm.

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



INFORMATION - Company clarification in the scope of reporting non-financial data.

This document is not the Statement on non-financial data as required by the Accounting Act of 29 September 1994 (consolidated text, Journal of Laws of 2023, item 2201, as amended) resulting from Directive 2022/2464/EU of 14 December 2022. In 2023, OPONEO.PL 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., supporting the intention to increase the transparency of social and environmental information, acting for years in the spirit of sustainable development and analysing the dynamic development of the OPONEO.PL Group, decided to perform an internal analysis and prepare this opening report in the scope of “Non-financial aspects of OPONEO.PL operations”.

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

Since the beginnings of its activity, OPONEO.PL S.A. has pursued activities in line of the philosophy of responsible business and sustainable development. Starting from employee management to office and warehouse construction, route optimisation to sponsorship and charity activities. In view of the non-financial data reporting requirements, the Company has decided to prepare a report summarising its activities, despite the lack of the necessity to comply with the obligation in this respect as at 31 December 2023. The issues reported are also relevant to Group companies.

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

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

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

5.1. ACTION PHILOSOPHY

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

- People - the experience and commitment of the employees of the companies of the OPONEO.PL Group build their market position and provide customers with a positive shopping experience;
- Knowledge - the OPONEO.PL Group has an extensive knowledge base of the goods on offer, including customer reviews and detailed information about them. This translates into informed and relevant purchasing choices for customers;
- Responsibility - As a leader in the e-commerce market and a public company, OPONEO.PL S.A. is an example of business conducted in an ethical manner and in compliance with legal regulations.

Activities carried out in line with the aforementioned values allow the Group to grow continuously. The social responsibility of the OPONEO.PL Group means first and foremost a concern for the high quality of employment, respecting the rights of customers and supporting the development of sport. A significant proportion of the Company's employees come from Bydgoszcz and the surrounding area - this is where the Company focuses its social and charitable activities by, among other things, supporting sports initiatives and the passions of children and adults.

The environment of the OPONEO.PL Group is mainly affected by its office activities, warehousing and transport of goods to customers. The parent company's overriding principle is to mitigate negative impacts, which is often accompanied by financial benefits through increased efficiency and process optimisation. The OPONEO.PL Group consistently implements ecologically effective solutions in the field of office and warehouse space management and streamlining the route of transport of goods to the customer, in order to reduce the time of arrival and at the same time the length of routes, which has a measurable impact on the level of gas emissions into the environment. In May 2022, a modern warehouse located in Zelgoszcz near Łódź, with an area of more than 72 thousand m² was opened. It is the Group's main logistics centre from where all customer orders are fulfilled.

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

5.2. OUR STAKEHOLDERS

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

- **Employees** - are a key element of any business, the quality of the customer experience and therefore the growth of the business depends on their work. Work is an essential part of everyone's life. From the employees' point of view, factors such as remuneration, non-wage benefits, respect for employee rights, career development opportunities or employment flexibility are important. The high quality of the employment on offer, enables the Group to attract quality job candidates.
- **Customers** - providing high quality service, attractive prices and a wide range of offer is a necessary, but not always sufficient, standard for this stakeholder group. In the 21st century, customers are also interested in respecting consumer rights, the ethics of the company operations and the responsibility of the business to the external environment.
- **Suppliers** - the issuer's suppliers range from global corporations to small local companies. Naturally, smaller players have a weaker position in trade negotiations. From their point of view, it is crucial that none of the companies in the OPONEO.PL Group abuses its dominant position in relation to them.
- **Carriers (couriers)** - all companies of the OPONEO.PL Group operate in the e-commerce sector. A natural part of this industry is the need to deliver ordered goods to customers. For this reason, each company is an important customer for the cooperating courier companies.
- **Competition** - tracking of activities in terms of the risk of market entry of large players specialising in wholesale car parts, including tyres and the Group's other product range.
- **Services** - building a network of partner services to build better customer experience.
- **Media** - image-building with their assistance is essential to reach customers' awareness.

- **Investors** - two subgroups of stakeholders occur in this group. The first one comprises the existing shareholders who are interested in the financial performance and the impact on the external environment. The second group consists of broadly understood capital and financial market participants - individual investors, institutional investors, stock market analysts and banks. These actors can take sustainability factors into account when making an investment or lending decision.
- **Local community** - companies of the OPONEO.PL Group are located in Bydgoszcz and this has an impact on residents. On the one hand, they can be an attractive place to work and, on the other, the companies' operational activities can have an impact on the daily lives of people living in the immediate vicinity of the premises.
- **State institutions** - The OPONEO.PL Group, conducting its business activity through subsidiaries, is subject to legal regulations and control of state institutions authorised for this purpose. Detailed information on the cooperation with this stakeholder group is provided in the chapter on Compliance.

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

5.3. COMPLIANCE

5.3.1 Taxes

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

No administrative or judicial proceedings related to tax irregularities were pending against the company in 2023 or in the previous year. The authorities of the company strive to ensure that its activities and the declarations it submits comply with the current tax regulations.

5.3.2 Conflict of interest

In accordance with the rules of procedure of the parent company's management board, the members of the management board are obliged to inform the supervisory board of the occurrence of a conflict of interest or a possibility of its occurrence. Conflicts of interest include, among others, serving on the management or supervisory bodies of competing entities, conducting business that is competitive to the company. In 2023 and in the previous year, none of the members of the management board and the supervisory board performed their functions under the conditions of conflict of interest.

5.3.3 Anti-corruption and whistleblowing

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

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

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

In any kind of negotiation, conclusion of agreements/contracts and in significant contacts with public institutions and business entities, the staff in charge should act with the knowledge and approval of the Management Board. All payments to external parties, including donations and sponsorships, require the approval of the Management Board or its nominee. Contributions of Company funds (or donations in kind) to a political party, party activist or political committee, or to a candidate for state, regional or local office are prohibited. In case of confidential information within the meaning of Article 7 of the MAR Regulation, the procedures required by MAR shall apply. The Company has an Audit Committee operating within the Supervisory Board. None of the Group companies or their employees were punished for corrupt activities during the reporting period, and there were no reports of activities that could bear the hallmarks of corruption under the internal control system. A similar situation occurred in 2022.

5.3.4 Occupational Health and Safety

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

In 2023, OPONEO.PL S.A. reported one accident on company premises (leg sprain).

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

5.3.5 Control of state institutions

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

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

The authorities of the companies belonging to the OPONEO.PL Group exercise due diligence to ensure compliance of their activities with generally applicable laws and, if necessary, cooperate with public authorities. Moreover, the Group has procedures in place in the scope of whistleblowing and protection of whistleblowers. There were no reports of non-compliance with the applicable legislation in 2023 and 2022. Furthermore, no Group company has been penalised in any way for any illegal activities.

5.4. NON-FINANCIAL RISKS

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

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

Employees and customers

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

Corruption and fraud

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

Protection of the environment and social actions

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

5.5. SUSTAINABLE DEVELOPMENT MANAGEMENT

5.5.1. Human resources management

The activity of OPONEO.PL Group focuses on the e-commerce market, however, it would not be possible without employees, who represent the most important resource of all the Group's companies. OPONEO.PL S.A. is a Polish company that is expanding its presence on the European market and, due to its dynamic growth, is constantly in need of both specialists and people intending to gain professional experience. The Company and its subsidiaries provide opportunities for internal development through vertical and horizontal promotions, as well as the creation of new organisational units, within the structure, based on diagnosed needs and opportunities. More than 65% of the employees of the OPONEO.PL Group, are employed by the Group's parent company, i.e. OPONEO.PL S.A. A breakdown of employment at OPONEO.PL S.A. by gender is presented in the table below. In 2023, compared to the previous year, female employment increased by 8.28%, while male employment by 8.72%. The share of women in the employment structure in 2023 was kept virtually the same level as in the previous year, at 42.55%, compared to 42.65% in 2022.

Total number of employees at OPONEO.PL S.A. gender	31.12.2022	31.12.2023	Change %	31.12.22	31.12.23	Change %
	M	M		F	F	
Management Board and Supervisory Board	9	8	-11.11%	1	1	0.00%
Managers and executives	7	7	0.00%	6	2	-66.67%
Other employees	179	197	10.06%	138	154	11.59%
Total	195	212	8.72%	145	157	8.28%

As part of its human resources management, the Company is committed to attracting and retaining motivated employees with the expected competence and qualifications. In the framework of recruitment, OPONEO.PL S.A. is driven solely by substantive premises, respecting the principle of equal opportunities in relation to current staffing needs defined by individual teams. More details in this regard are included in the chapter on diversity and respect for employees' rights. With a dynamically changing market and customer service requirements, the Company is experiencing employee turnover, the scale of which is shown by the figures in the table below. In 2023, the turnover rate improved by 3.27 percentage points compared to the previous year, reaching 14.65%.

Turnover of employees at OPONEO.PL S.A.	31.12.2022	31.12.2023	Change %	31.12.2022	31.12.2023	Change %
gender	M	M		F	F	
Number of new hires	65	52	-20.00%	47	38	-19.15%
Number of persons who left the company	136	38	-72.06%	37	23	-37.84%
Staff turnover ratio	69.74%	17.92%	----	25.52%	14.65%	----

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

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

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

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

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

- Private medical care.
- Cafeteria-benefit programme.
- Replacement of tyres for employees.
- Favourable purchasing conditions for bicycles and tyres for employees.

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

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

Number of persons employed under contracts other than employment in OPONEO.PL S.A.	31.12.22	31.12.23	Change %
Cooperating persons on the basis of civil law contracts (contract for specific work, contract of mandate)	16	18	12.50%
Persons working under appointment contracts (Management Board)	5	4	-20.00%

Number of employment contracts by type at OPONEO.PL S.A.	31.12.22	31.12.23	Change %
Full time	327	356	8.87%
Part time	8	8	0.00%

Number of employment contracts in OPONEO.PL S.A.	31.12.22	31.12.23	Change %
for indefinite period	234	245	4.70%
for defined period	101	119	17.82%

Minimum wage employment at OPONEO.PL S.A. gender	31.12.22	31.12.23	Change %	31.12.22	31.12.23	Change %
	M	M		F	F	
Minimum wage (per month)	3,010	3,600	19.60%	3,010	3,600	19.60%
Number of employees earning the minimum wage (per month)	4	3	-25.00%	0	0	----

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

Maternity/paternity leave at OPONEO.PL S.A. gender	31.12.2022	31.12.2023	Change %	31.12.2022	31.12.2023	Change %
	M	M		F	F	
Number of employees who used the maternity/paternity leave	16	13	-18.75%	17	7	-58.82%
Number of persons who returned to work from the maternity/paternity leave in the period concerned	15	0	-100.00%	6	7	16.67%
Return-to-work indicator	0.94	0.00	-100.00%	0.35	1.00	183.33%

5.5.2. Diversity and respect for human rights

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

Employees

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

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

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

OPONEO.PL S.A. Management Board gender	31.12.2021	31.12.2022	31.12.2023	Share %
Women	0	0	0	0%
Men	5	5	4	100%
Total	5	5	4	----

OPONEO.PL S.A. Supervisory Board gender	31.12.2021	31.12.2022	31.12.2023	Share %
Women	1	1	1	20%
Men	4	4	4	80%
Total	5	5	5	----

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

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

5.5.3. Our customers

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

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

Every customer has the opportunity to evaluate the service, to talk to a Company employee, as well as to use the complaints process. In each case, customers receive an email survey asking them to provide their feedback. In addition, the following mailboxes are available to customers: info@oponeo.pl; reklamacje@oponeo.pl; uwagi@oponeo.pl where they can address questions, opinions and comments. Both surveys and mailbox submissions are regularly checked and analysed. The Company has specific complaint procedures described on the publicly accessible website: www.oponeo.pl/reklamacje. As part of the complaints process, each customer receives ongoing email notifications of the complaint stage and the next steps.

5.6. SOCIAL INVOLVEMENT

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

The Company's main activities for society focus on supporting the development of sports and sporting initiatives and the passions of children and adults. We support children's competitive football through sponsorship of sports initiatives implemented by: Bergovia Academy of Sports, Little Champions Football Academy, Rainbow Bydgoszcz Foundation Football Academy, Builders' Sports Club. OPONEO.PL S.A. is also one of the main sponsors of women's volleyball - KS Pałac Bydgoszcz (seniors and juniors). W 2023 roku jako jeden z głównych sponsorów wspieraliśmy Ogólnopolski Trening Kalisteniki organizowany w Bydgoszczy.

In order to popularise sport among children up to the age of 13, free training sessions were organised for the youngest during the summer holidays. The following initiatives were implemented in 2023: „Oponeo Wakacje z Chemikiem” i „Wakacje z AP Małych Mistrzów”. Approximately 600 children took part in each edition.

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

As part of the donations, the Company provided support in the form of sets of tyres for: OSP in Złotoria, OSP in Szczekociny and the City Headquarters of the State Fire Service in Bydgoszcz.

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

5.7. ENVIRONMENTAL PROTECTION

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

OPONEO.PL S.A. consistently implements ecologically effective solutions for office and warehouse space management. When expanding its headquarters with another office building, the Company consistently remained committed to green energy sources powering highly efficient CO₂, air conditioning and ventilation systems. Dozens of geothermal boreholes were drilled and, based on the lower source, a heat pump system with a heating capacity of around 500 kW was put into operation. The new building uses window joinery with improved thermal and acoustic insulation, and in 2018 the joinery was also replaced in the old buildings. Additional environmentally friendly solutions in the new building include the use of mechanical ventilation with heat recovery and increased insulation of the building envelope, including walls, roof and ground floor. Investment has also been made in photovoltaic solutions. The photovoltaic pilot plant produces electricity that is routed to the internal grid, reducing the amount of electricity drawn from an external supplier.

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

In 2023, the Company continued the "Podleśna Apiary" project. As part of the project, 10 bee hives have been set up nearby the OPONEO.PL head office, which are monitored by dedicated bee hive sensors. In order to provide the bees with a suitable environment, a flower meadow was sown, thanks to which they have adequate access to the flower nectar necessary for the production of honey around the apiary, which the employees of OPONEO.PL S.A. received after honey harvesting. This project has a direct positive impact on the environment - on the one hand, bees are an essential part of many ecosystems, and on the other hand, flower meadows have a positive impact on air purity. In terms of biodiversity, this solution is much more beneficial than a traditional lawn.

5.7.1 Electricity, heat, gas and water consumption

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

Energy consumption by OPONEO.PL S.A.	measurement unit	2022	2023	change
Heat consumption	GJ	0.00	0.00	-
Cooling consumption	GJ	0.00	0.00	-
Gas consumption	GJ	2992.36	2997.22	0.16%
Renewable energy consumption (PV)	MWh	47.02	58.09	23.54%
Electricity consumption	MWh	2778.80	2625.85	-5.50%
Total energy consumption	MWh	2825.83	2683.94	-5.02%

In order to provide a clearer representation of energy consumption, the energy consumption rates of each source were calculated in relation to revenue and the number of tyres sold. Of course, tyres are not the only goods offered by the Company, but they are the prevailing source of revenue. The proposed indicators provide information on the quantity of energy from each source the Company needs to consume to generate one million PLN in revenue or sell one tyre. The indicators developed for 2023 show a positive trend. The leading indicator including energy from all sources per tyre sold was 0.63, a decrease of 13.33% compared to the previous year. On the other hand, the ratio of total energy consumed per 1 million revenue reached 1,775.2, thus decreasing by 11.86%.

Energy intensity indicators of OPONEO.PL S.A.	measurement unit	2022	2023	change
Renewable energy per PLN 1 million revenue	kWh/PLN 1 million revenue	33.52	38.42	14.65%
Energy from non-renewable sources per tyre	kWh/ton	0.71	0.61	-13.78%
Energy from non-renewable sources per PLN 1 million revenue	kWh/PLN 1 million revenue	1980.61	1736.77	-12.31%
Energy from all sources per tyre	kWh/ton	0.72	0.63	-13.33%
Energy from all sources per PLN 1 million revenue	kWh/PLN 1 million revenue	2014.13	1775.20	-11.86%

Companies in the OPONEO.PL Group use water mainly for sanitary purposes. The only source of water for the companies is the municipal water supply. Moreover, a storage reservoir is located on the premises of OPONEO.PL S.A.. The water collected in it is used to water the lawns. The water consumption and the volume of wastewater discharged by OPONEO.PL S.A. is shown in the table below. In 2023, water consumption decreased by 26.49% compared to 2022 and wastewater discharge decreased by 2.41%.

Water consumption and wastewater discharged by OPONEO.PL S.A.	measurement unit	2022	2023	change
Water consumption	cubic metres	8460.61	6219.00	-26.49%
Total wastewater discharged	cubic metres	4243.81	4141.50	-2.41%

5.7.2 Greenhouse gas emissions

The Group companies' greenhouse gas emissions are direct and indirect. The first type is related to the day-to-day operations and functioning of the office buildings and warehouses. Direct greenhouse gas emissions were estimated on the basis of electricity, gas and thermal energy consumption under the KOBiZE guidelines. The input data for the calculations were invoices from the suppliers of the aforementioned utilities. The volumes of direct emissions for the last two years for OPONEO.PL S.A., presented in the table below, show in 2023 that emissions related to fuel consumption are practically maintained at the previous year's level (an increase of 0.16%), while emissions resulting from electricity consumption have decreased by 5.5%. This is primarily related to the change of location of the Company's warehouse and thus a change in the proportion of consumption of certain utilities, when operating the main warehouse in the new location.

Compared to direct emissions, indirect emissions account for a much larger share of greenhouse gas emissions. This is due to the fact that all companies of the OPONEO.PL Capital Group operate in the e-commerce sector. All shipments of customer orders are delivered via external courier companies. Data on emissions resulting from transports of goods were presented on the basis of information obtained directly from companies providing transport services for OPONEO.PL S.A.

Emission indicators for OPONEO.PL S.A.	measurement unit	2022	2023	change
Scope 1				
Emissions resulting from fuel consumption in buildings and installations	tonnes of CO ₂	165.81	166.08	0.16%
Scope 2				
Emissions resulting from the purchase of electricity	tonnes of CO ₂	2125.78	2008.77	-5.50%
Emissions resulting from the purchase of heat	tonnes of CO ₂	0.00	0.00	-
Scope 3				
Emissions resulting from goods sold	tonnes of CO ₂	4060.04	4229.53	4.17%
Total GHG emissions	tonnes of CO ₂	6351.63	6404.38	0.83%
Ratios				
GHG emissions per tyre sold	kg CO ₂ /tonne	1.63	1.50	-7.99%
GHG emissions for PLN 1 million revenue	kWh/PLN 1 million revenue	4527.18	4235.95	-6.43%

In addition to the estimated greenhouse gas emissions, emission intensity factors similar to those proposed in the energy consumption table are presented. In 2023, the emission factor calculated per tyre sold decreased by 7.99% compared to the previous year, while the emission factor per 1 million revenue decreased by 6.43%.

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

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

Final energy demand and CO₂ emissions*

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

*Data based on energy audit performed in August 2021, Emission factor [kgCO₂/GJ] or [MgCO₂/MWh] according to. KOBiZE – 0.798.

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

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

In order to reduce the distance and time taken to transport shipments from the warehouse to the customer and thus reduce CO₂ emissions, the Company aims to optimise its logistics processes. This is possible thanks to the logistics centre in Zelgoszcz, near Łódź, which has been in operation since 2022. The warehouse is located close to three main sorting centres of DPD (OPONEO.PL's main partner in the scope of courier services): Stryków sorting plant at a distance of 3 minutes' drive, Warsaw sorting plant - 1.5 hours away and Ruda Śląska sorting plant - 2.4 hours away. This provides the ability to handle very high daily volumes and to process customer orders quickly. By locating the warehouse in this way, transport costs and distances have been reduced and optimised, which undoubtedly also contributes to lower CO₂ emissions. Photovoltaic panels are also installed to power 100% of the office building and some of the warehouses in the logistics centre.

5.7.3 Waste discharged on the market, recycling and disposal

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

Goods, waste and recycling at OPONEO.PL S.A.	measurement unit	2022	2023	change
Waste and goods placed on the market				
Tyres	tonnes	14,271.58	18,770.36	31.52%
Paper and cardboard packaging	tonnes	31.13	44.91	44.29%
Plastic packaging	tonnes	30.22	26.79	-11.34%
Wood packaging	tonnes	0.00	0.00	-
Recycled and recovered waste				
Recycling of packaging waste	tonnes	4.29	5.02	16.89%
Recovery of packaging waste	tonnes	0.00	0.00	-
Tyre recovery	tonnes	10,703.68	14,077.77	31.52%
Sales of waste paper	tonnes	0.00	0.00	-

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

Tyres sent for recycling	measurement unit	2022	2023	change
Tyres collected directly from service centres	pcs	174,418	186,433	6.89%
Tyres transferred for recycling from the warehouse of OPONEO.PL S.A.	pcs	2,900	1,050	-63.79%

In 2023, OPONEO.PL S.A. continued a nationwide environmental campaign related to the topic of recycling used tyres. As part of the project, 60 green space clean-up campaigns were organised in various locations. In exchange for every 4 used tyres handed in between 21 March and 22 April 2023 to partner workshops or collected during local clean-up events, 1 tree was planted. The number of tyres collected allowed OPONEO.PL S.A. to plant 3,732 trees. More than 1800 people from all over Poland were involved in the campaign - from local activists, environmental enthusiasts, teachers and school students to associations and NGOs. The trees were mainly planted in four locations:

- Biłgoraj - Reconstruction of the stand after damage caused by a biotic factor, which includes the bark beetle. Measures aimed at restoring greenery by reforesting the area with pines and birches.
- Radomsko - Forest areas in Radomsko have suffered devastation due to heavy rainfall, storms and sudden weather changes. The trees planted will contribute to the restoration of the forest, with a total effect of more than 3.33 hectares.
- Łódź - Planting trees is not only about bringing life back to devastated areas after natural disasters. Efforts are also being made in the afforestation of areas that previously did not have forest characteristics. This is an important activity from the perspective of environmental protection and the promotion of biodiversity.
- Tuchola County - In Tuchola County, large areas of woodland were destroyed as a result of a powerful hurricane in 2017. During the autumn period, many new trees of various species were planted there - English oak, Scots pine, black alder, beech and bearded birch. Thanks to our actions, we will restore woodland with a total area of 1.78 hectares.

Detailed information about the campaign and its impact, as well as tyre recycling, can be found on a dedicated sub-site at www.oponeo.pl/kreci-nas-recykling.

APPROVAL FOR PUBLICATION

The activity report of the Management Board was approved for publication by the Management Board of OPONEO.PL S.A. 29 April 2024.

Signatures of persons representing the Company:

Dariusz Topolewski

President of the Management Board

Michał Butkiewicz

Member of the Management Board

Ernest Pujszo

Member of the Management Board

Wojciech Topolewski

Member of the Management Board

Arkadiusz Kocemba

Member of the Management Board

Bydgoszcz, 29 April 2024

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