



SUMMARY OF YEARLY RESULTS FOR 2021

Krzysztof Folta

Chief Executive Officer, TIM S.A.
President of the Management Board

Piotr Nosal

Chief Sales Officer – TIM S.A.
Member of the Management Board

Piotr Tokarczuk

Chief Financial Officer, TIM S.A.
Member of the Management Board

Maciej Posadzy

Chief Executive Officer – 3LP S.A.
President of the Management Board



AGENDA

About us

Markets of Operation

Financial Results

3LP S.A.

Plans and Prospects



About Us

1987
Wrocławskie Zakłady
Przemysłowe
Wieloletni partner
TIM-u w ramach którego
została utworzona firma
KAPITAŁOWA TIM

1998
Wrocławskie Zakłady
Przemysłowe
Wieloletni partner
TIM-u w ramach którego
została utworzona firma
KAPITAŁOWA TIM

2011
Narodził się sklep TIM SA.
TIM SA stał się niezależnym
związkiem przedsiębiorstwa SA
z siedzibą w Siechnicach.

2013
Narodził się TIM.pl
Początkowo pod adresem sklep.tim.pl,
a następnie - www.tim.pl

2014
Rebranding
Pierwsza w historii zmiana logotypu
i identyfikacji wizualnej - symboliczne
podkreślenie przejścia z epoki handlu
tradycyjnego do modelu hybrydowego.
Siedziba powraca do Wrocławia.

2016
Logistyczne zmiany
Rusza pierwsza rozbudowa centrum
logistycznego w Siechnicach. Operatorem
obiektu zostaje 3LP SA - nowa spółka
w Grupie Kapitałowej TIM.

2018
70 x 2
Udział sprzedaży poprzez TIM.pl
w obrotach TIM-u na stałe przekracza
70%. W październiku miesięczne
przychody ze sprzedaży przebijają
barierę 70 mln zł.



TIM Group in brief

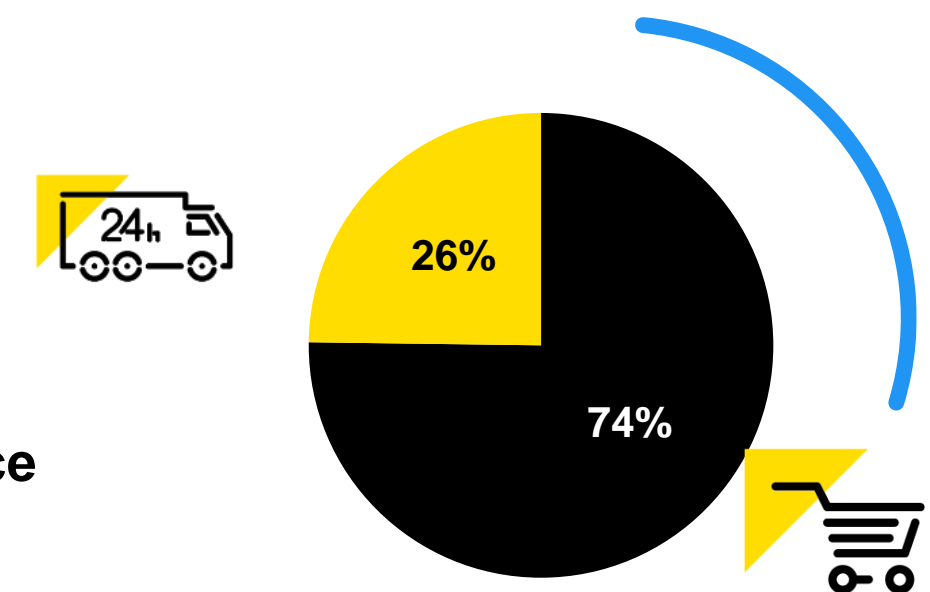


- **Lider e-commerce B2B in Poland**
- The Group's ambitious development plan based on two synergistic pillars
- Growing financial results and low debt level
- Attractive dividend policy



- **A dynamically growing player offering fulfillment services for ecommerce**
- Investments in the expansion of the 3LP area rapidly increasing the scale of the business
- Strong exposure in the e-commerce sector (infrastructue specializes in providing services for ecommerce)
- IPO and New Business Opportunities

EBITDA 2021 GK TIM by business line:



Distrubution Activity

Logistics Activity

Summary of year 2021

1

Best yearly financial results in the history of TIM Group

- 1 314 mln PLN revenues(+35%* r/r)
- 145 mln PLN EBITDA (+96%** r/r)
- 92 mln PLN net profit (+191%** r/r)

2

Dividend policy adopted and the payment of record dividend in year 2021

- A policy assuming dividend payment in the amount of 1 PLN per share (22,2 mln PLN) + 50% of the excess net profit TIM over the amount of 22,2 mln PLN
- 49 mln PLN in payed out dividend in 2021

3

Implementation of the medium term strategy TIM for 2019-2021

- 1 252 mln PLN yearly revenues in 2021, CAGR: 19%
- 8,7% - profitability EBITDA

4

3LP S.A.

- IPO
- Construction of a new warehouse 25 thousand square meters + automation
- Strategy of further dynamic growth

*dynamics including sales revenues Rotopino.pl in 2020

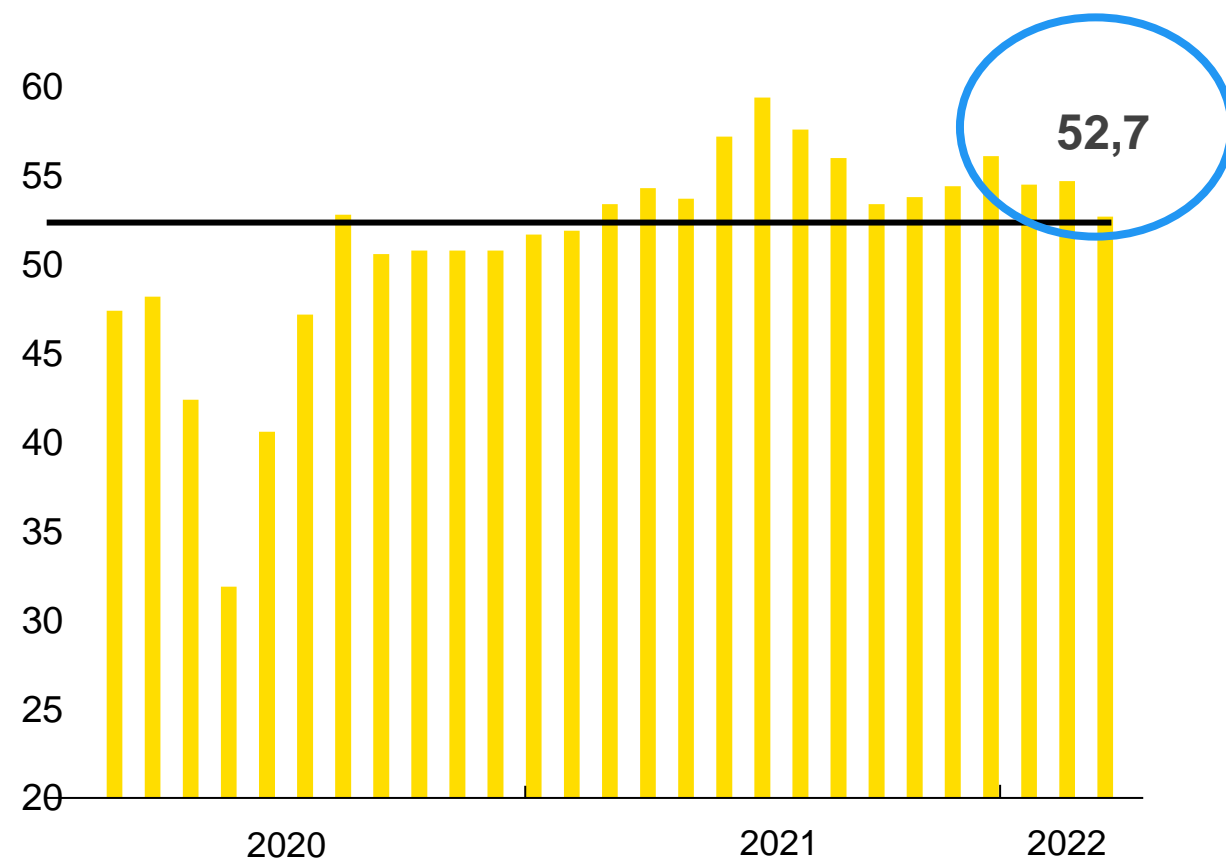
* including profit from sales of shares Rotopino.pl in 2020



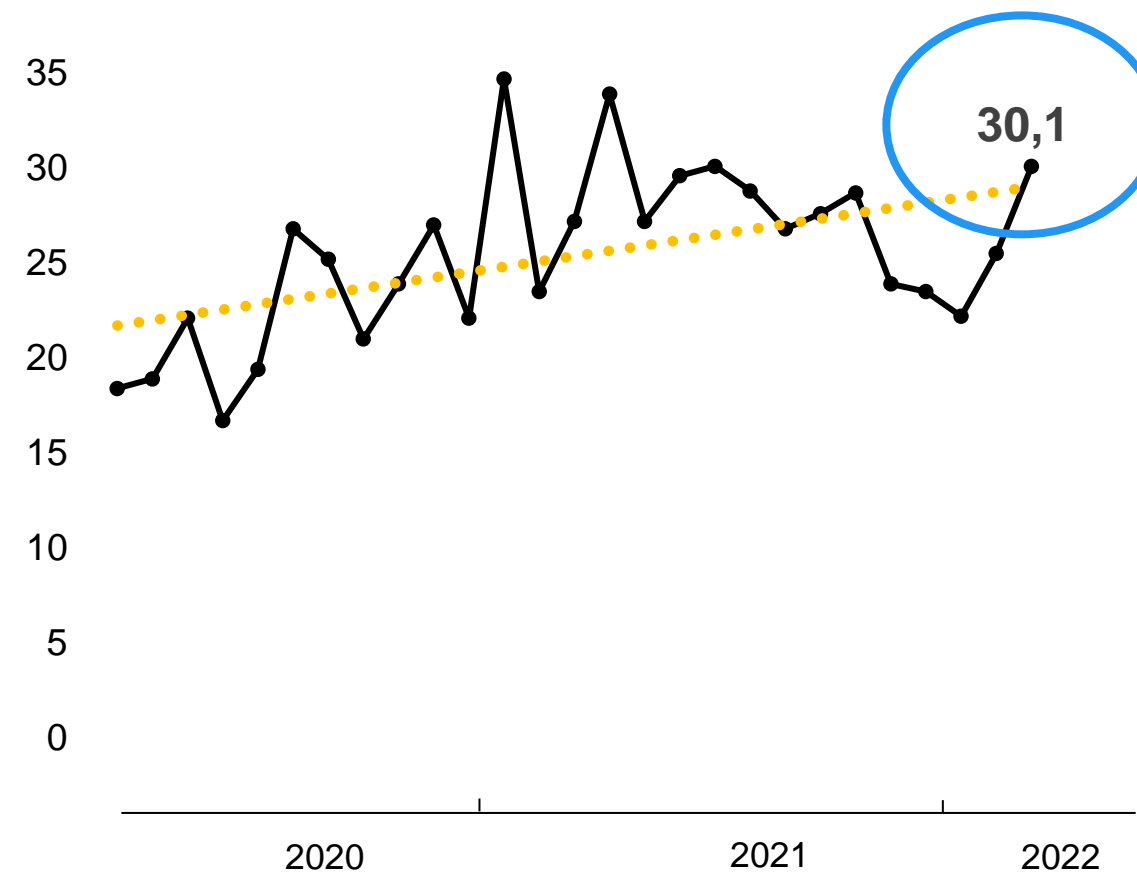
MAREKETS OF OPERATION

Favourable Outlook of the Economy

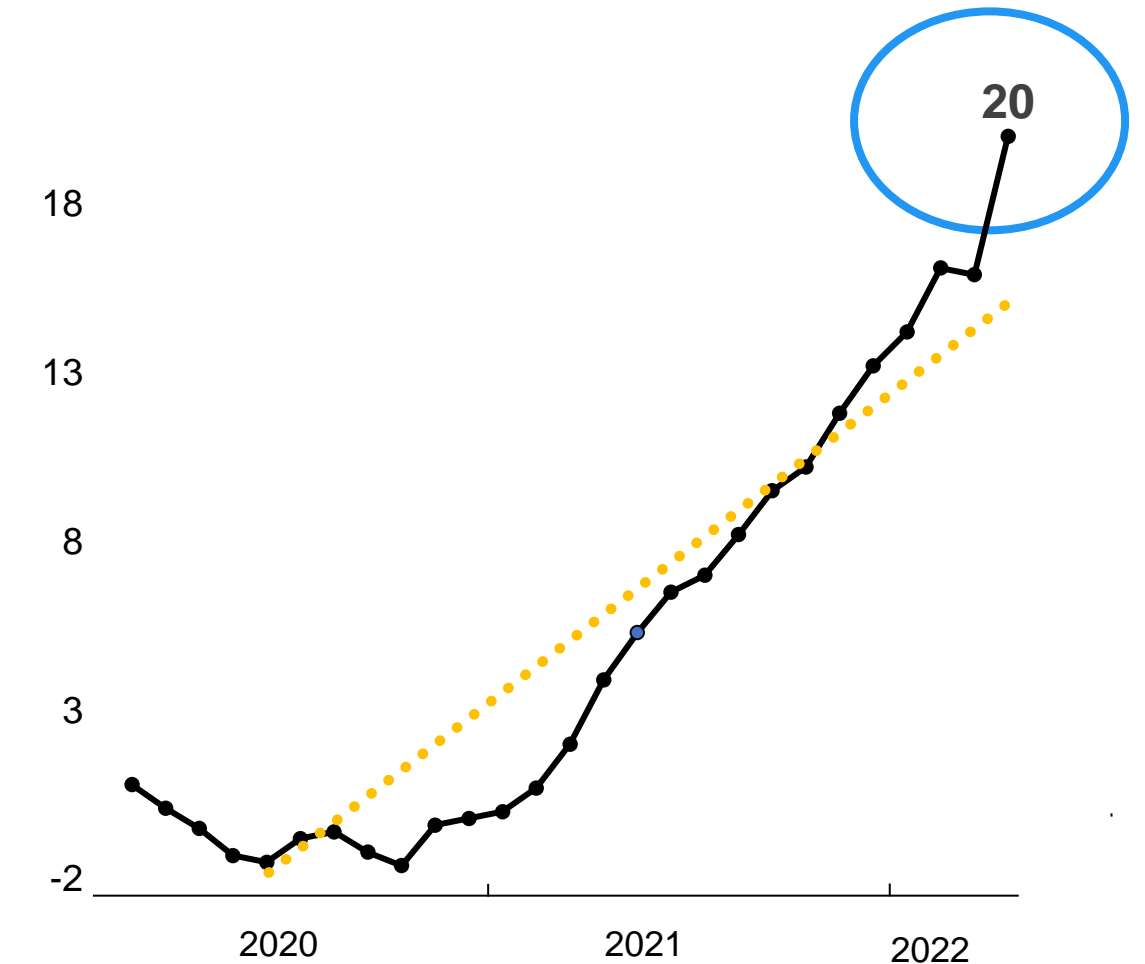
PMI Indicator for the Polish economy *



Number of housing permits issued (thousands)**



Producer Inflation Price Index PPI (%)**



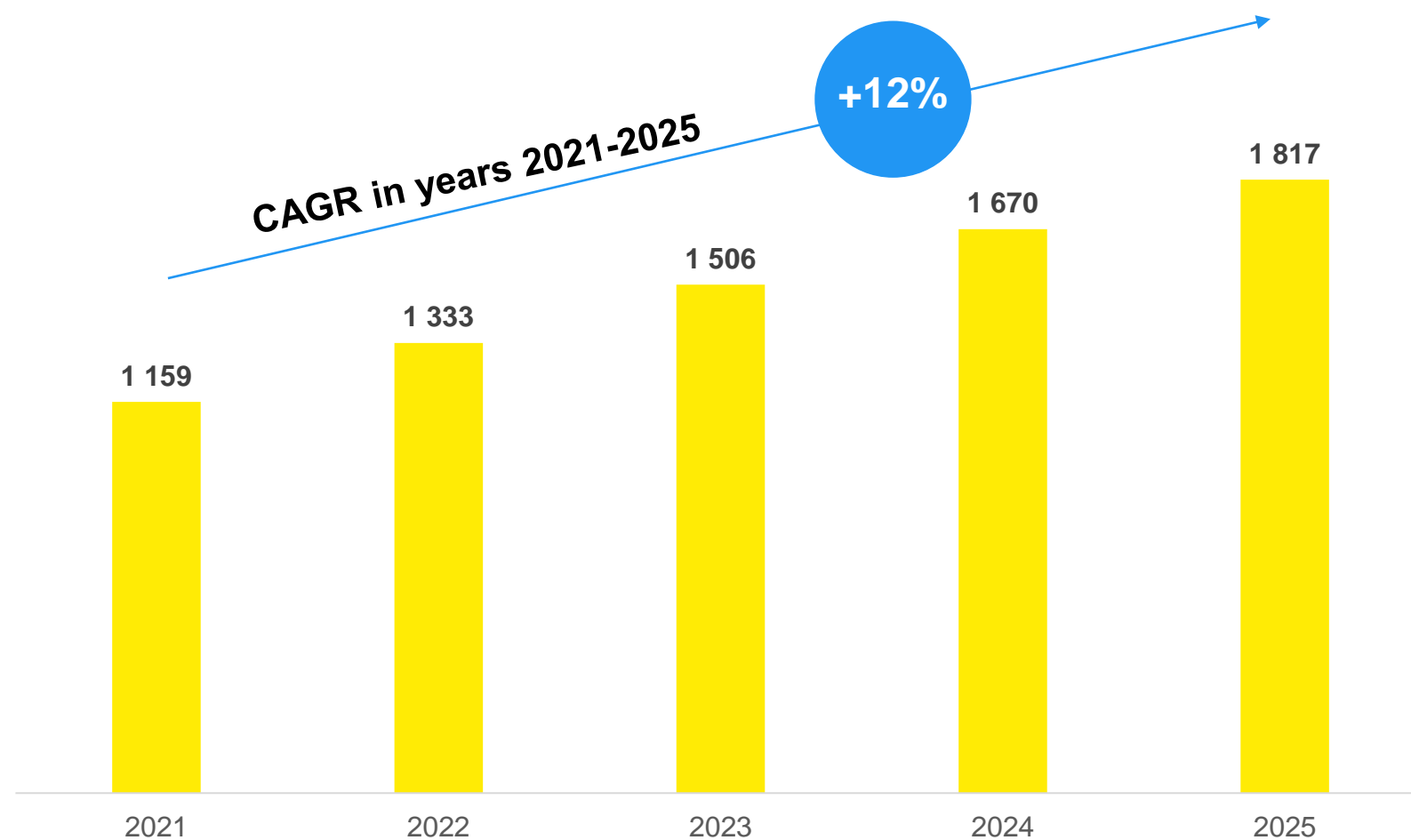
- Macro data indicates good conditions for further dynamic development TIM S.A. and 3LP S.A.
- Dynamic growth in producer inflation in 2021 was due to recovery of the demand in the global economy, the deficit on the raw materials markets and the increase in energy prices.



E-commerce B2B long-term growth factor

Consumerization B2B – in the next 5 do 10 years internet pages dedicated for users of B2C and users of B2B will be difficult to differentiate**

E-commerce turnover forecast B2B in Europe (billions USD)



Value of the e-commerce market B2B in Europe (2025)**

2 trillion USD

87%

of Poles use the internet*

58,7%

of Polish consumers state that they purchase something on a weekly basis*

76%

of European companies operating in B2B expect at least stable growth in sales in 2022+**

80%

of generations from the USA use their cell phones to place orders in e-commerce B2B*

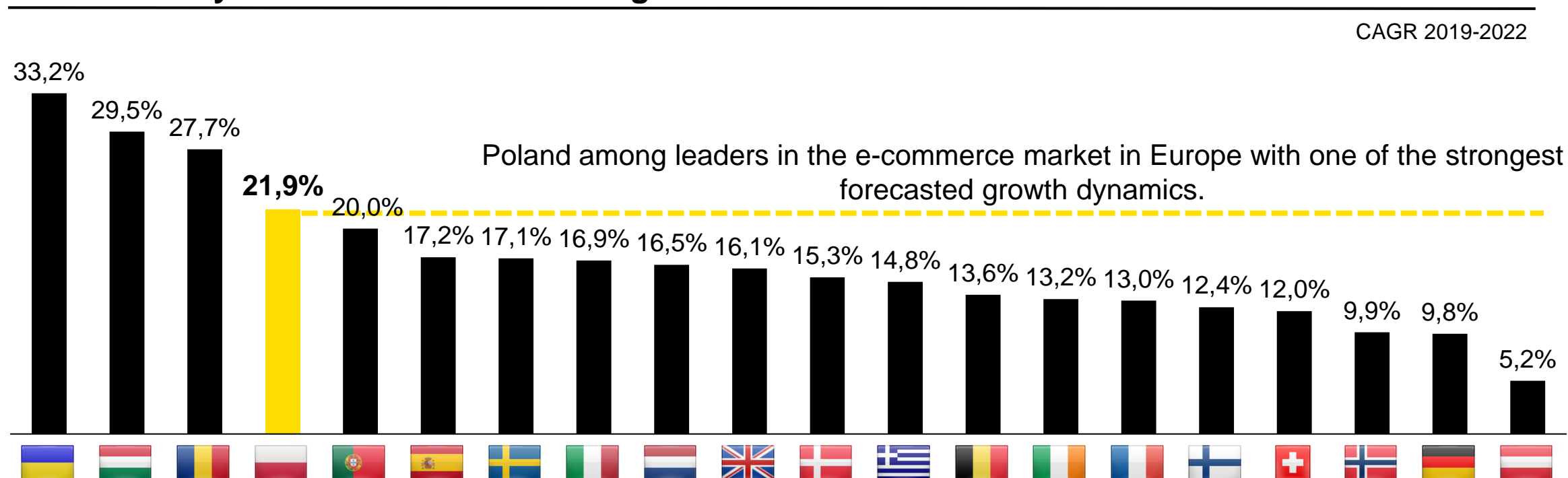
* "Digital 2022. Global overview report.", we are social, Hootsuite, 2022

** [digitalcommerce360.com](https://www.digitalcommerce360.com)



Growing demand for warehouse space in Poland supports the dynamic development in e-commerce

Forecasted dynamic of the e-commerce growth *

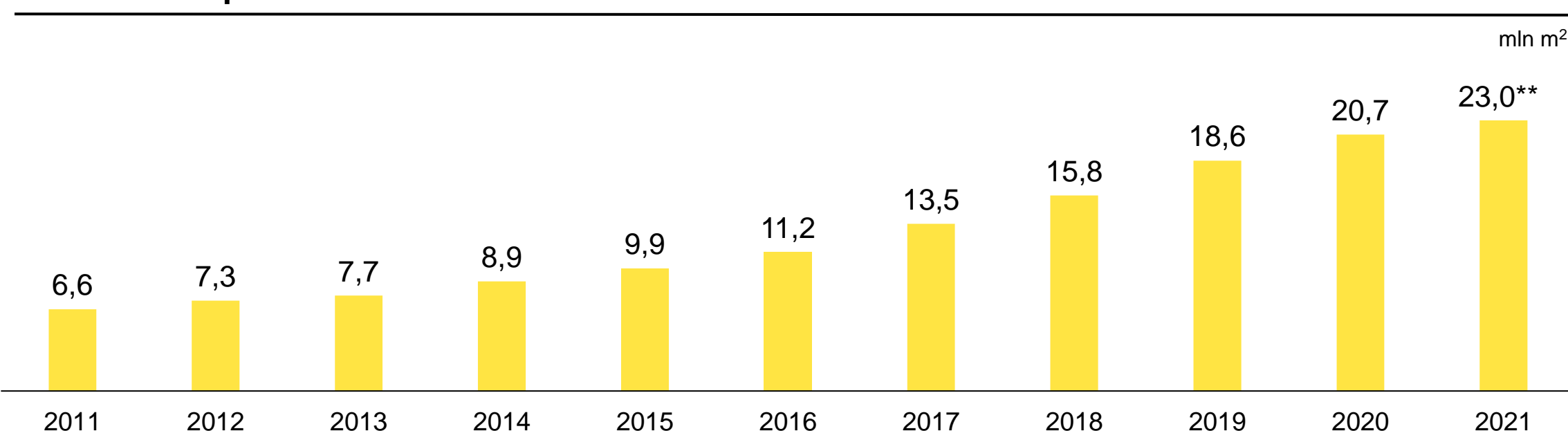


Change in consumer habits supports dynamic growth of e-commerce and the rapid digitization of business purchases.

12% (up to 162 bilion PLN in 2026) - estimated CAGR growth in online sales selection in Poland from 2020 to 2026.

40% (up to approx. 637 bilion PLN) - estimated dynamic growth in e-commerce B2B in Poland in 2021

Warehouse space resources in Poland*



The development of e-commerce a key factor in the demand for growth of warehouse sapce and logistic services.

The estimated share of e-commerce exceeds 1/3 of the total demand for warehouse space on the Polish market.

The pandemic confirms, that efficient logistic processes are the foundation of effective e-commerce activity.

* Euromonitor, Cushman & Wakefield

** Data at the end of 3Q2021, forecast



Dynamic growth fulfillment in Poland driven by strong demand in e-commerce and market trends

Polish fulfillment market at early stages of development

3LP one of the largest companies with completely independent fulfillment services in Poland.

The prospect of further growth fulfillment in Poland.

Fragmented fulfillment service market in Poland:

Third Party Logistics - independent complete fulfillment (key service)

Logistics Companies

Marketplace (Allegro, Amazon)

Extra Service

Largest e-commerce companies that have fulfillment, use it only for their own needs.

Many e-commerce middle players don't have the scale allowing for their own goods handling.

Complete fulfillment offered by approx. 10-15 entities in Poland (approx. 60 entities all together)

Companies offering fulfillment in Poland as a key service:



30% of Polish companies use warehouse services, completion, packaging for items (concerning mainly the largest companies*)

12% CAGR of online sales in Poland from 2020 to 2026

Current market trends concerning fulfillment and warehouses:

increase of warehouse resources,

- nearshoring – location of production and warehouses in the UE,
- safety – moving warehouses to NATO countries,
- Logistic operators that have contracted warehouse space are the beneficiaries of the supply deficit,
- Growing need for flexibility of goods handling, model performance, buffer storage.

* Raport GS1, Fulfillment w e-commerce; trials of 300 companies using fulfillment services.



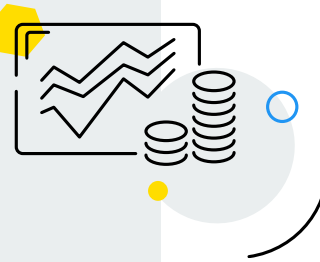
FINANCIAL RESULTS

Chosen Financial Result of TIM Group

TIM S.A. –dominating unit to 3LP S.A, noted on GPW



TIM Capital Group



Individual data:

1 252 mln PLN

Unit revenues **TIM**

109 mln PLN

EBITDA unit **TIM**

142 mln PLN

Unit Income **3LP** – logistics

36 mln PLN

EBITDA unit **3LP** – logistics

Consolidated data GK TIM:

Revenues from sales*:

1 314 mln PLN

EBITDA*:

145 mln PLN

Net Profit*:

92 mln PLN

Total Assets**:

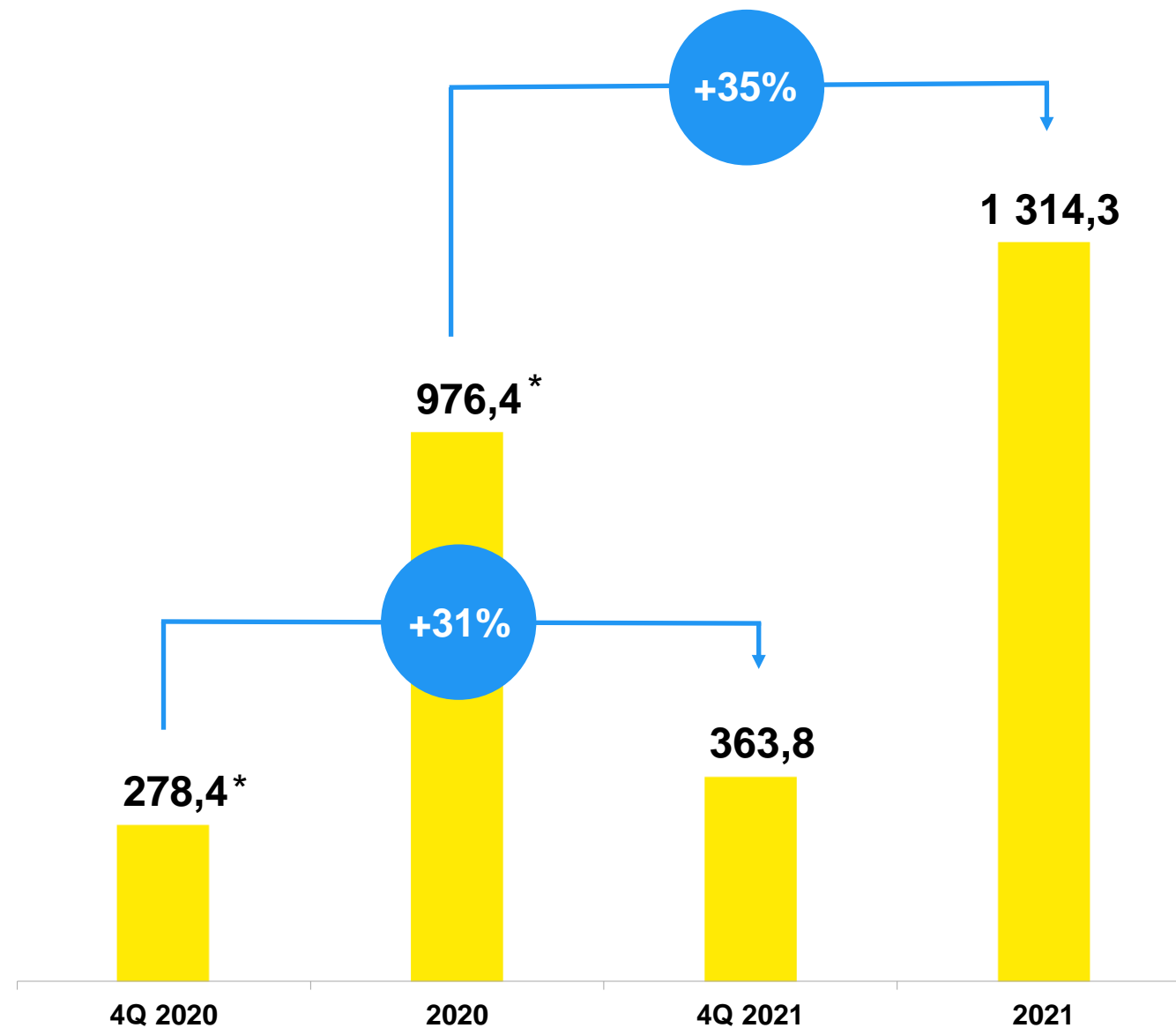
537 mln PLN

* Data from 2021

** Data as of the balance sheet date 31.12.2021.

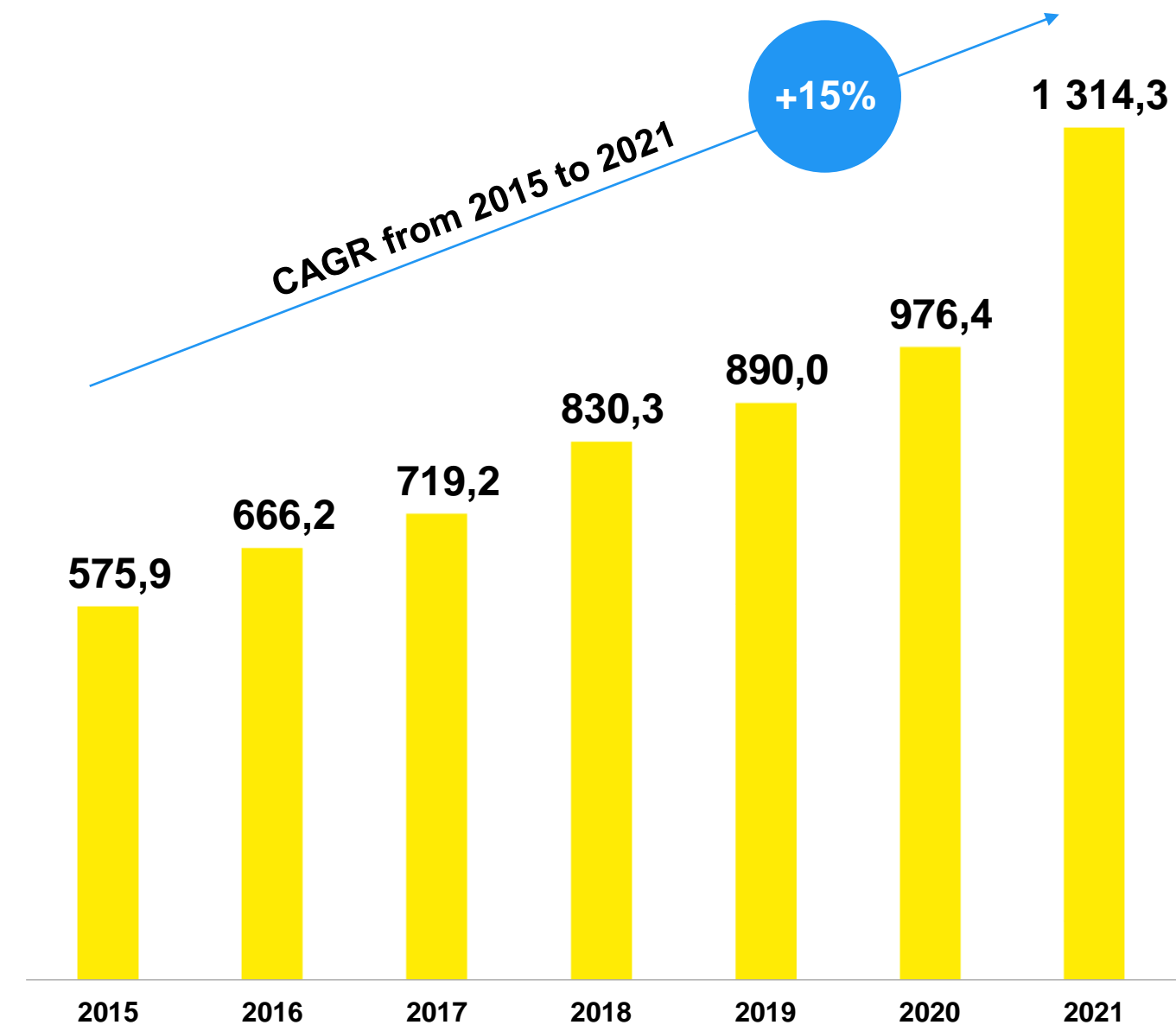
TIM Group – dynamic growth of sales revenue

Sales revenue (mln PLN)



- After the first 3 months of 2022 (latest reported data) TIM from 393,4 mln PLN revenue (+50% r/r).

Revenue from 2015 to 2021 (mln PLN) and their mid-year growth



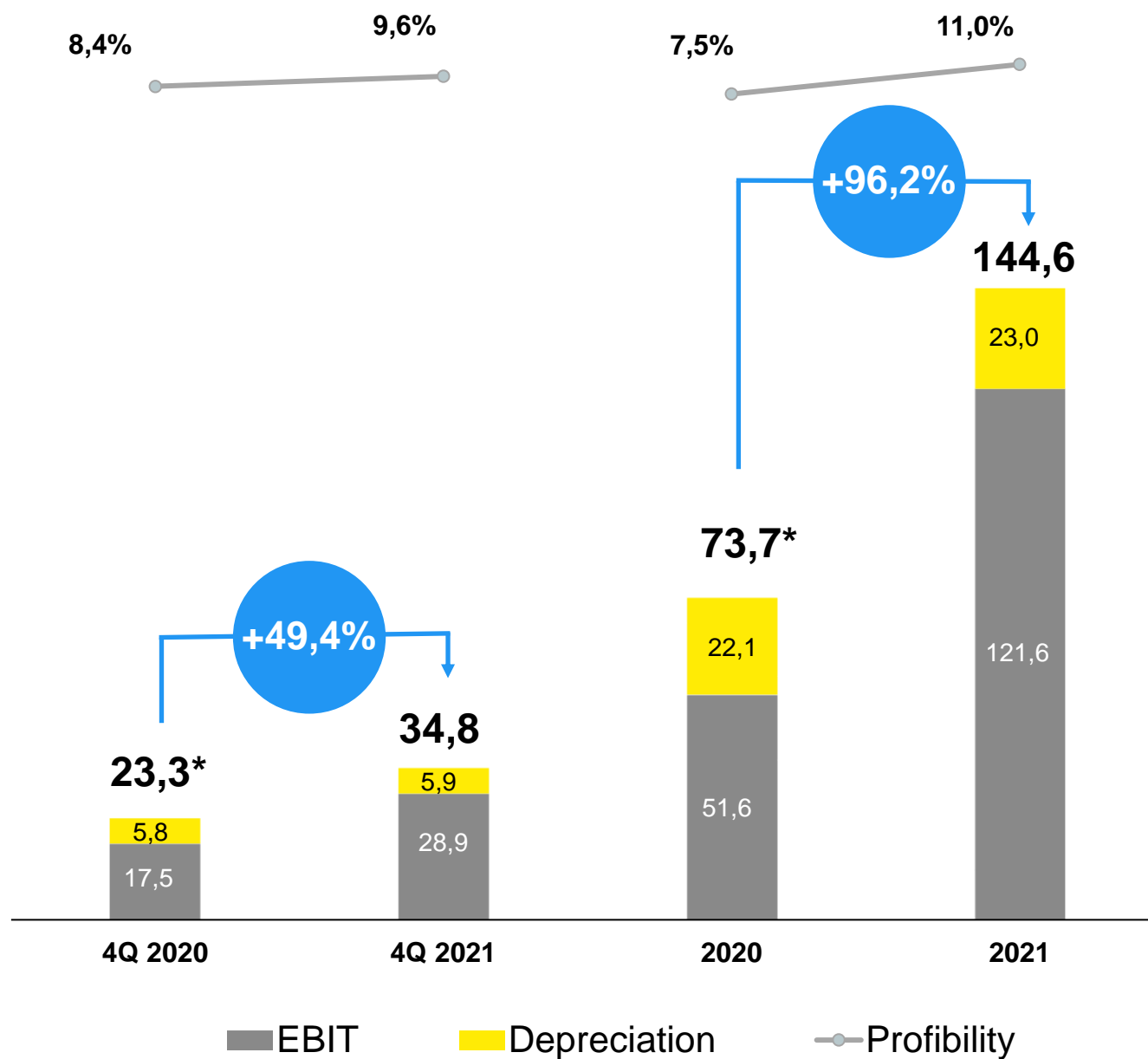
- More than two fold growth from 2015 to 2021 confirms the development ambitions of TIM Group.

* Including revenue from sales from Rotopino.pl



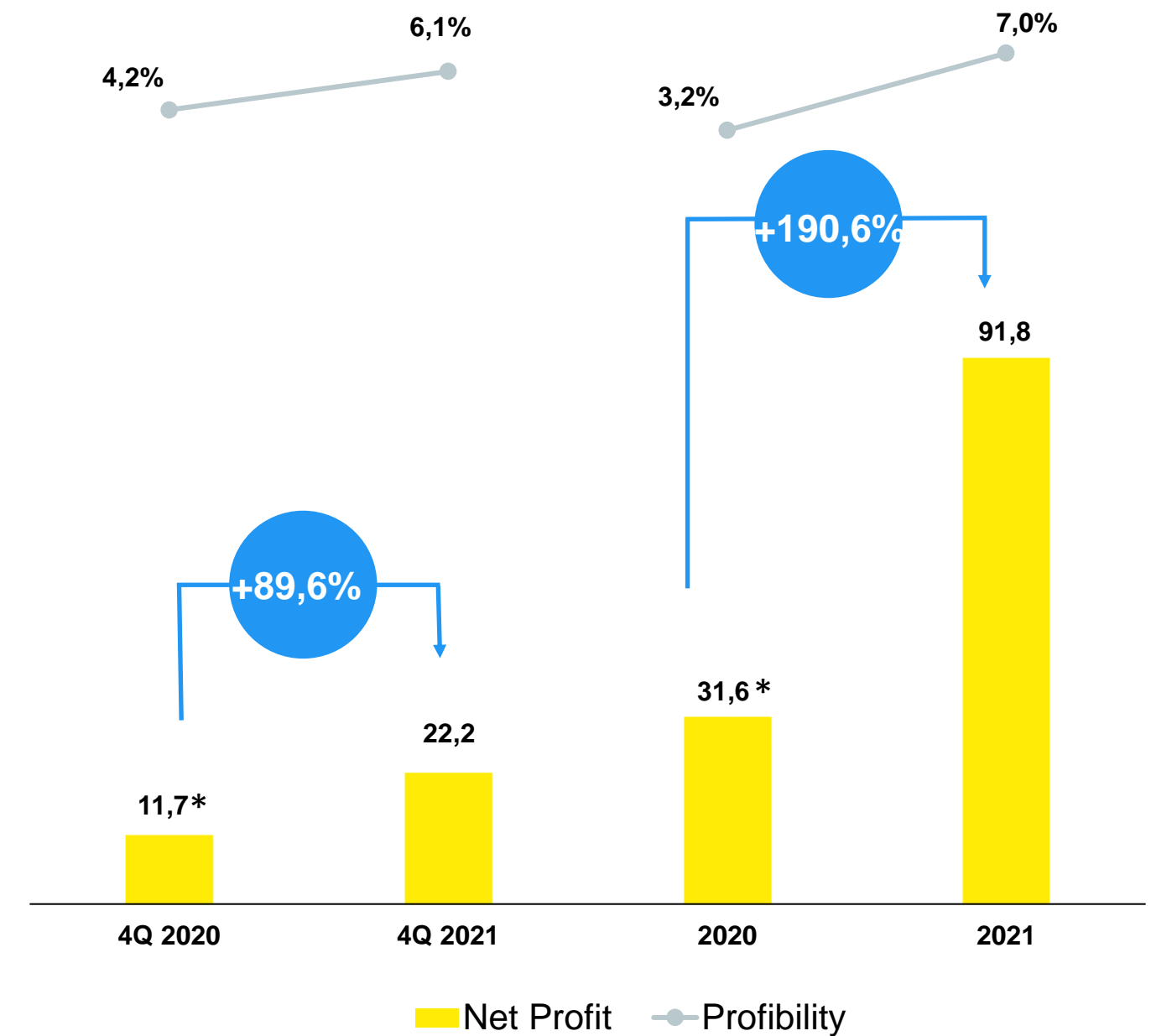
TIM Group – Growth in profits and margins

EBITDA (mIn PLN)



- Significantly higher profits EBITDA in periodic reports,
- Dynamic growth in margins to periods in 2020.

Net Profit (mIn PLN)



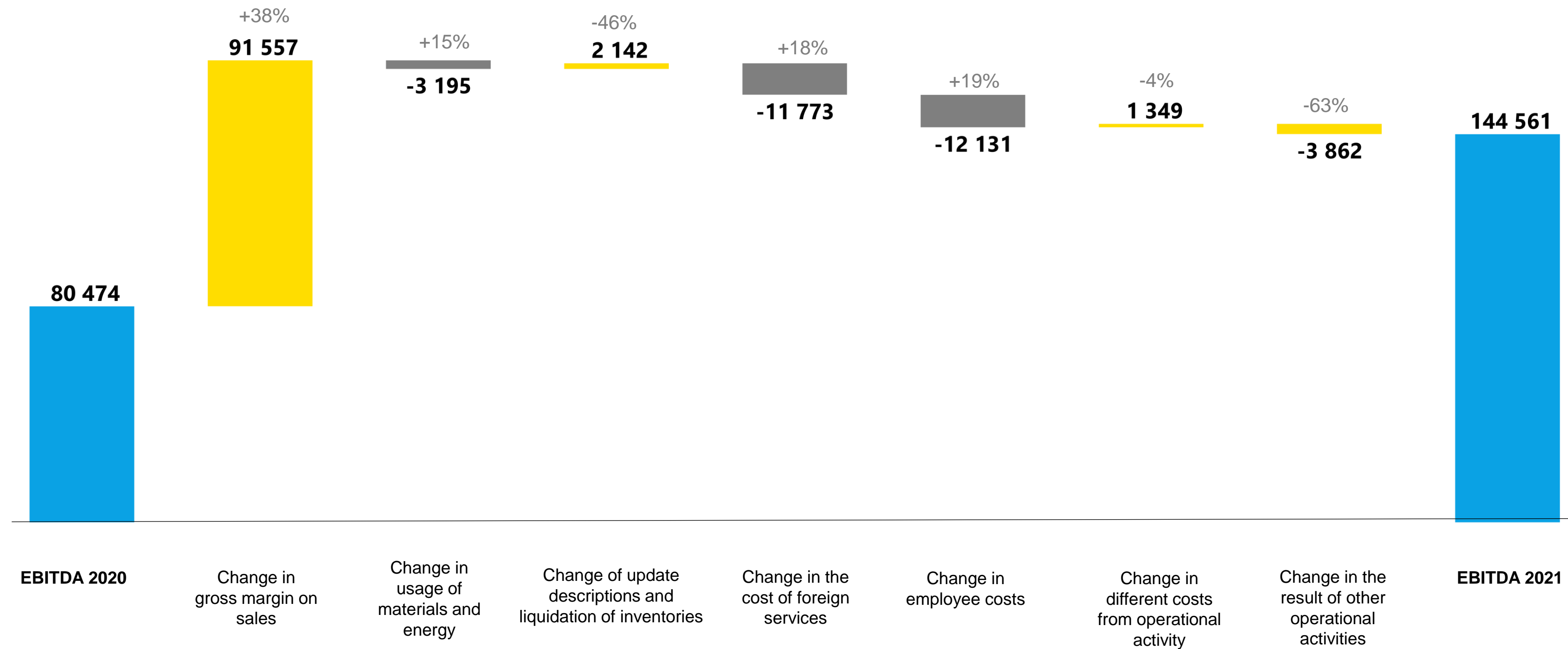
- More than two-fold net growth and significant improvement in profitability for 2021 to 2020.

* Including sales revenue from the sale of shares Rotopino.pl w 2020



TIM Group – profit decomposition EBITDA

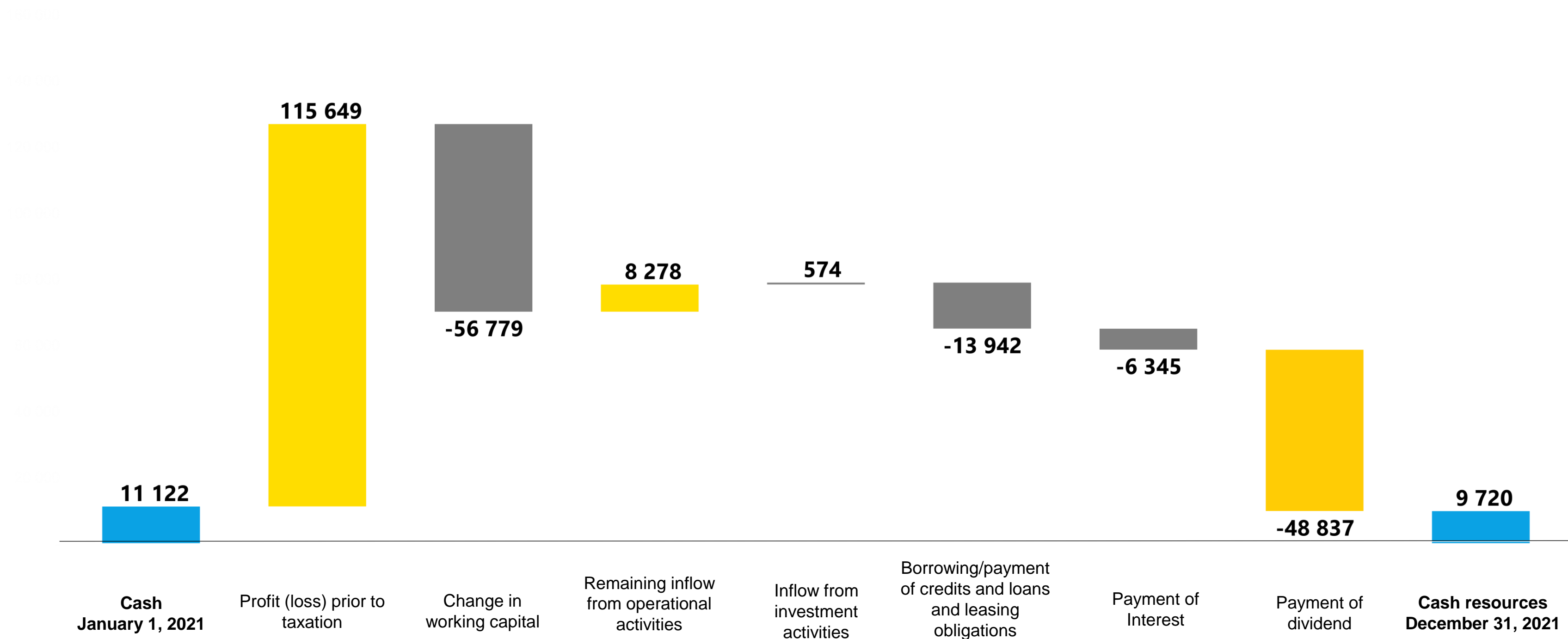
- Increase in the scale of activity and higher gross margin on sales are the main determiners of higher reading of EBITDA.





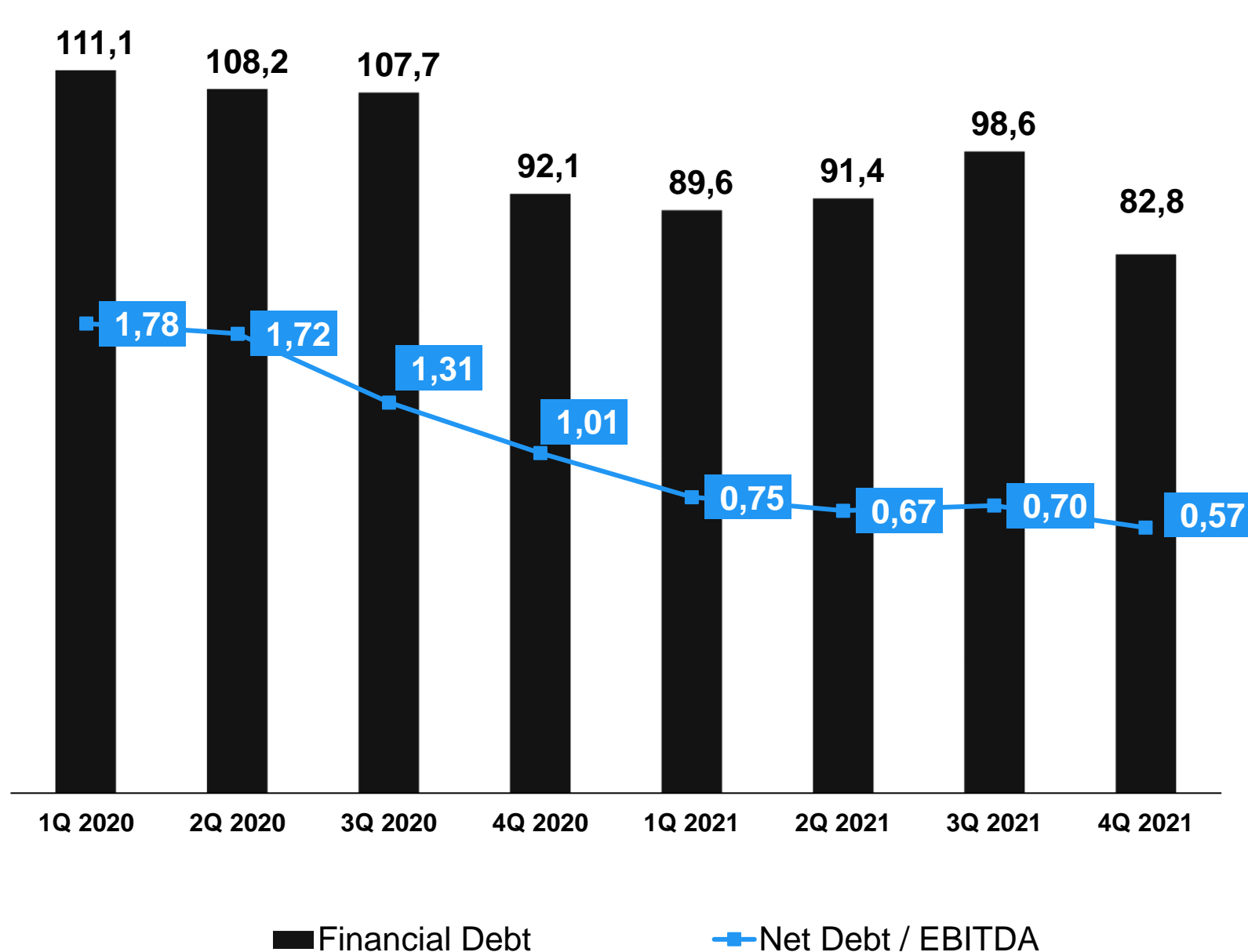
TIM Group – stable cash inflow

- The amount of operational inflow in 2021 amounting to 67,1 mln PLN was the effect of high gross profit and increase in inventory and receivables.

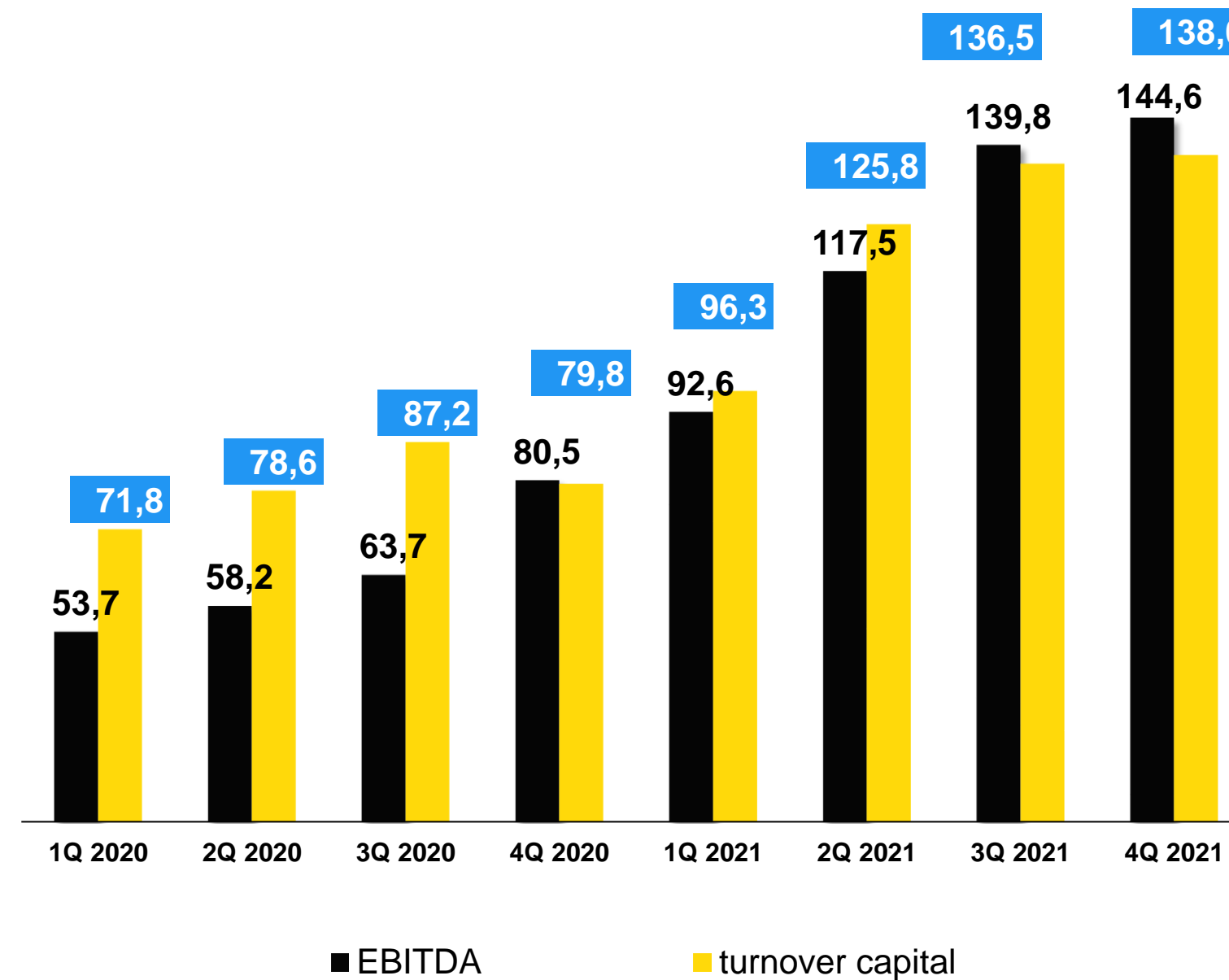


TIM Group - healthy financial situation

Financial debt (mln PLN) i net debt / EBITDA LTM (pkt)*



EBITDA LTM i turnover capital (mln PLN)*



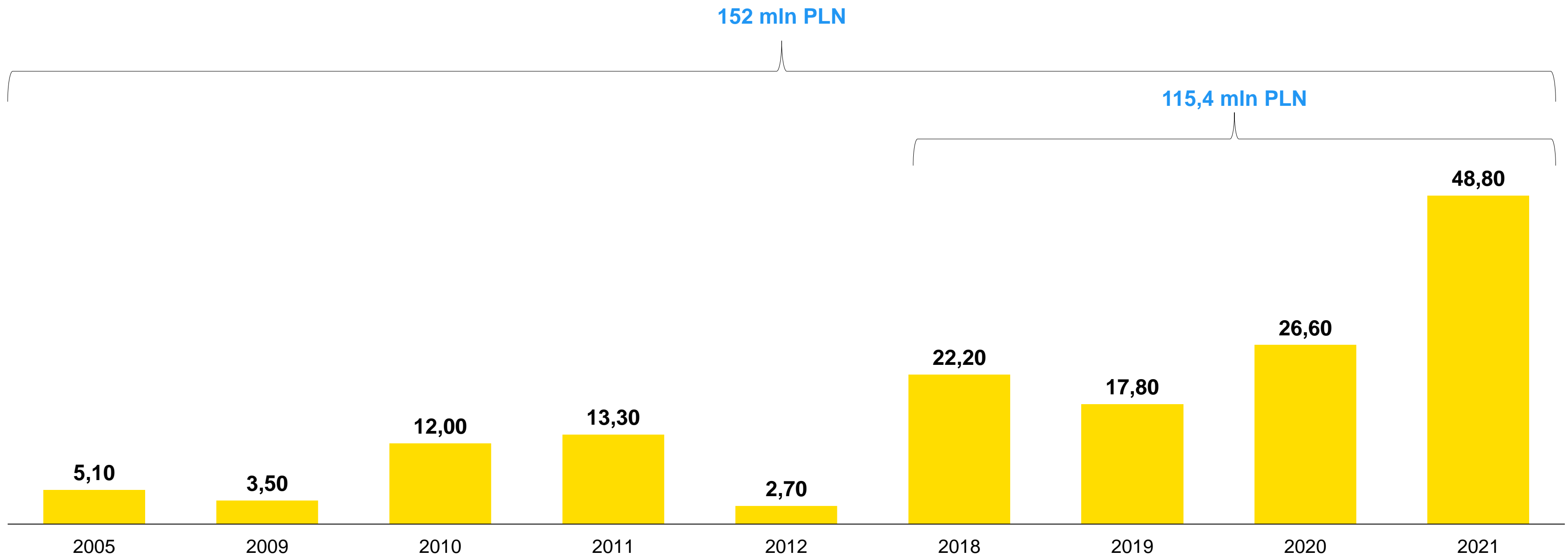
- Despite investing in development and payments in dividends there is a noticeable systematic decrease in interest debt and indicator of net debt to EBITDA.

- Effective use of the increase in the net turnover capital.

*Data includes Rotopino.pl w 2020

Dividend payments from 2005 to 2021 (mln zPLN)

- Per the management board’s recommendations , after making the decision WZA TIM **additionally paid 1,20 zł dividend per share** (together amounting to 26,6 mln PLN),
- **The dividend paid in full by TIM for 2021 reached 2,40 PLN per share (53,3 mln PLN)*,**
- **Dividend day** was recommended for **July 27 2022**, and the **payment day for August 11, 2022.**

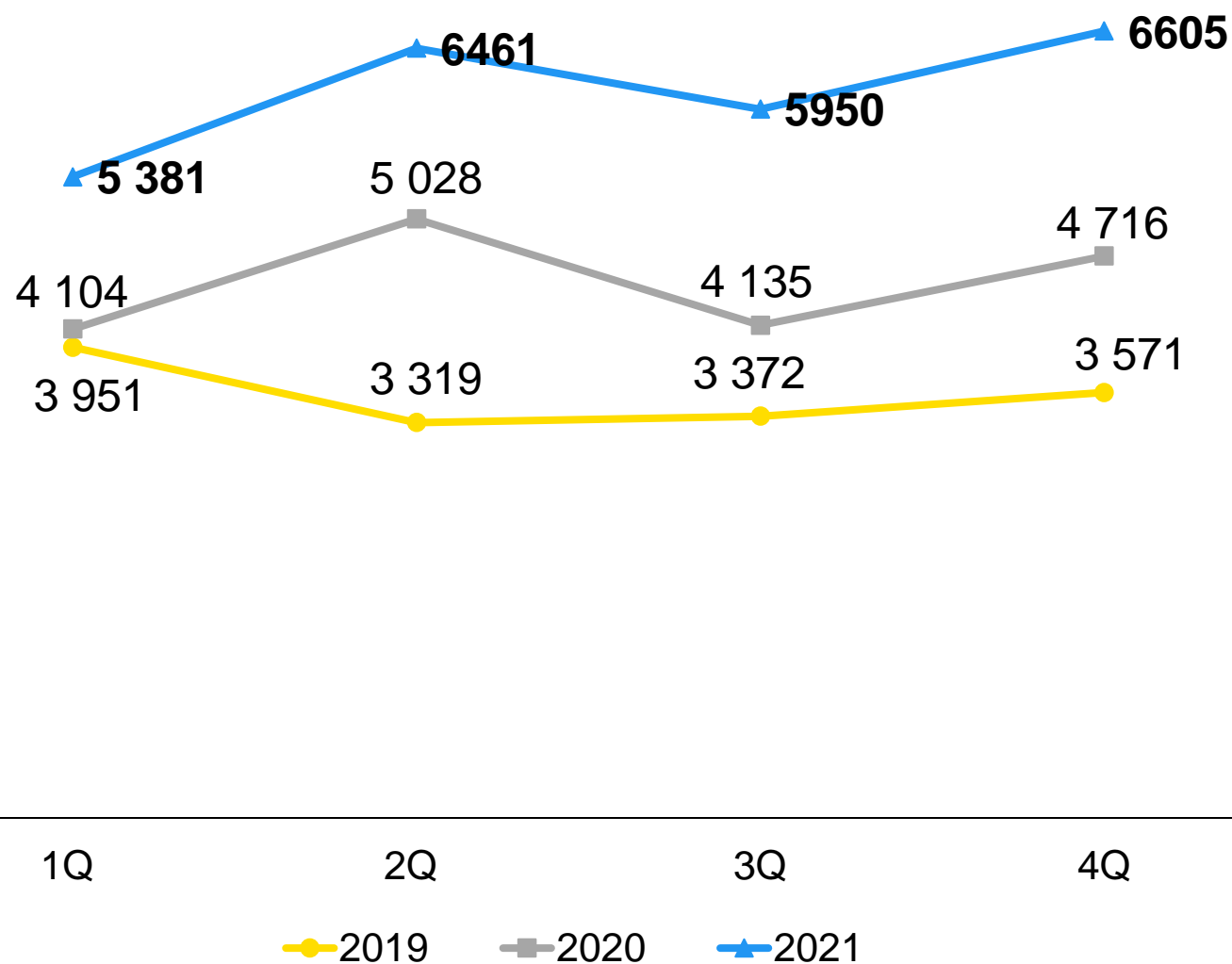


*taking into account the advance paid in December of 2021 on the future expected dividend in the amount of 1,20 zł per share.

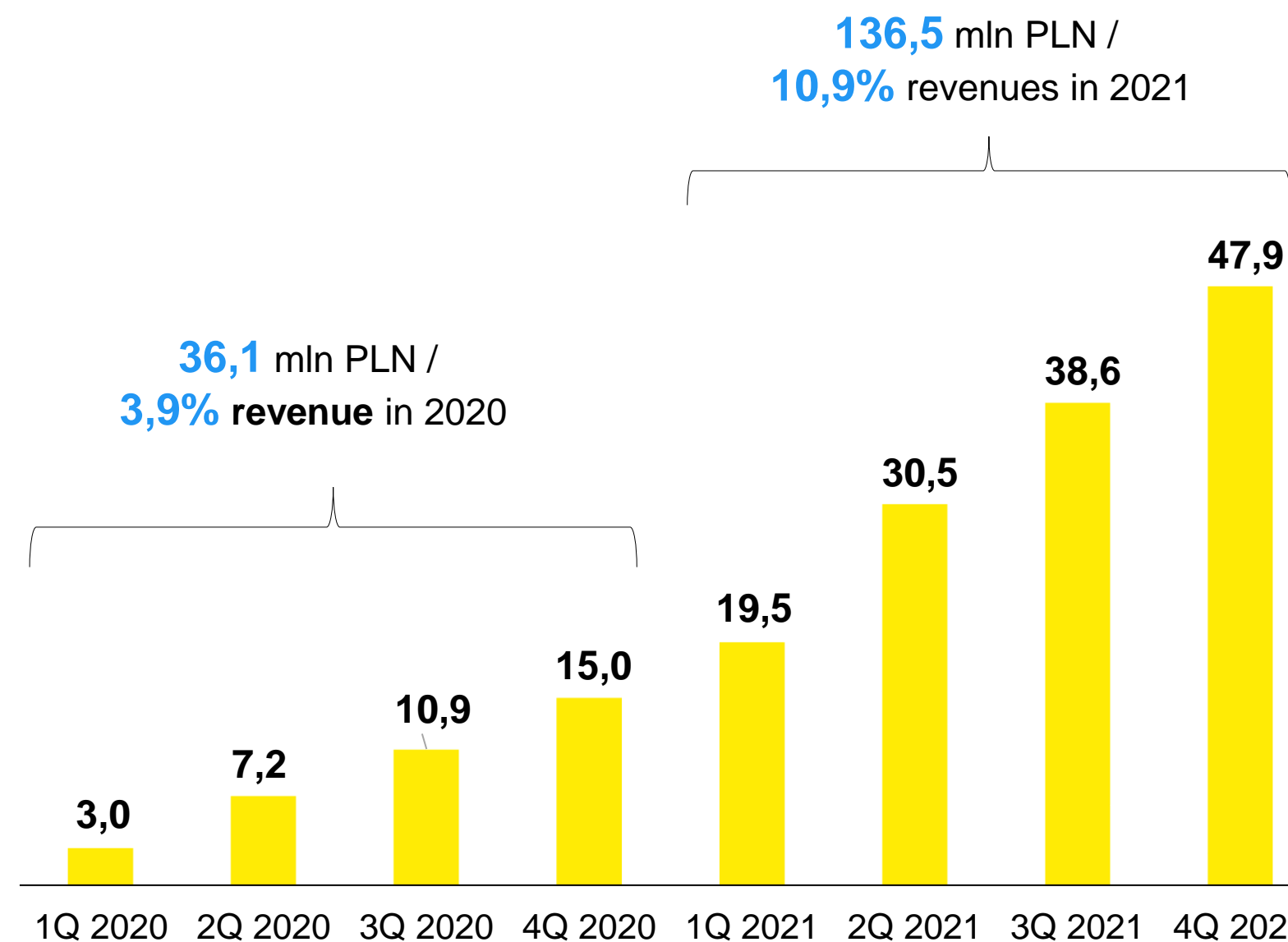


TIM S.A. – systematic improvement of the sales indicator

Number of new customers



Sale to new customers

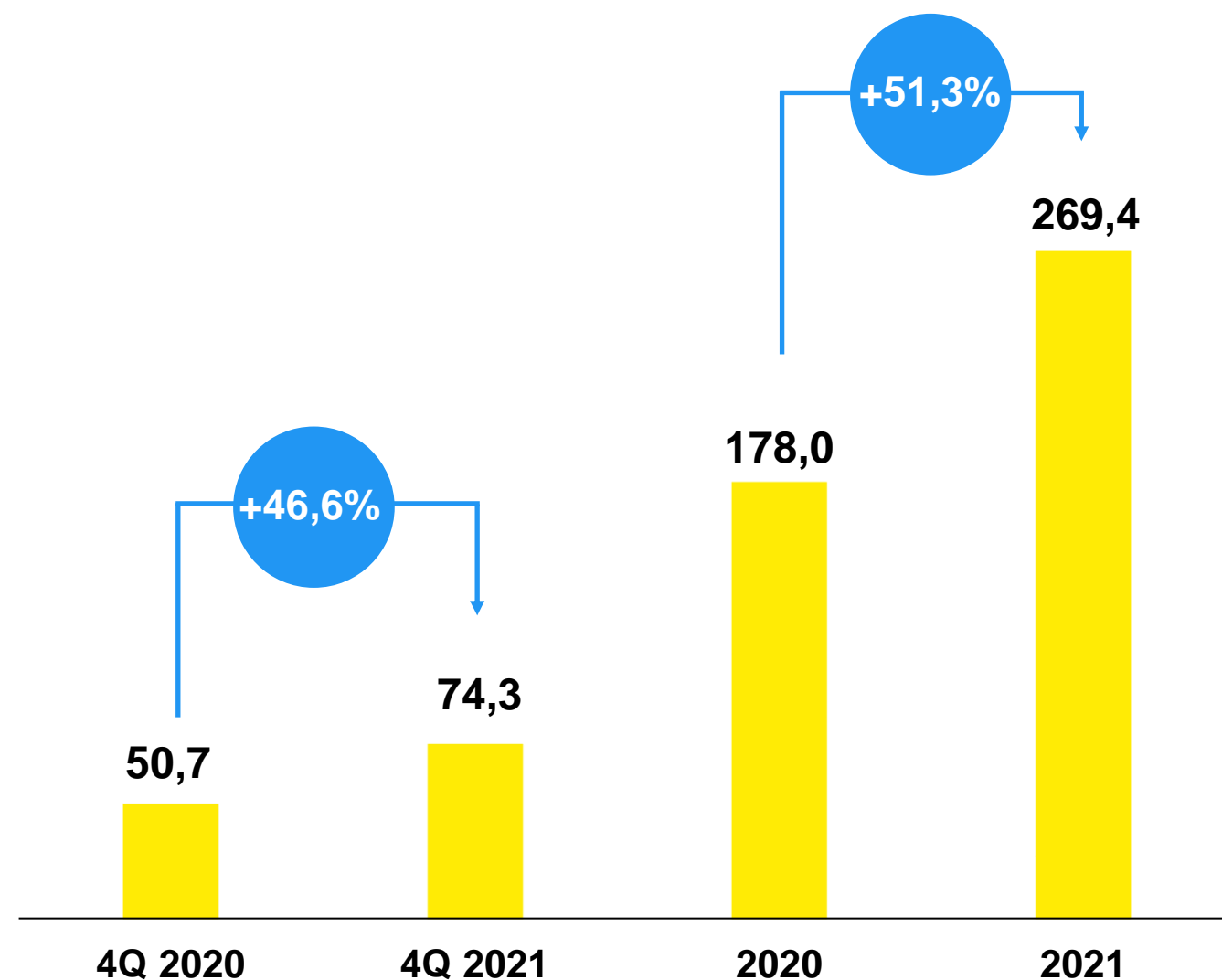


- Significant increase in the interest of e-commerce
- Maintained upward trend and great dynamic in getting new customers form the TIM.pl platform.

- Each quarter shows growth in the value of the sales to new customers,
- Sale to new customer is nearly 11% of the entire amount of sales realized in 2021.

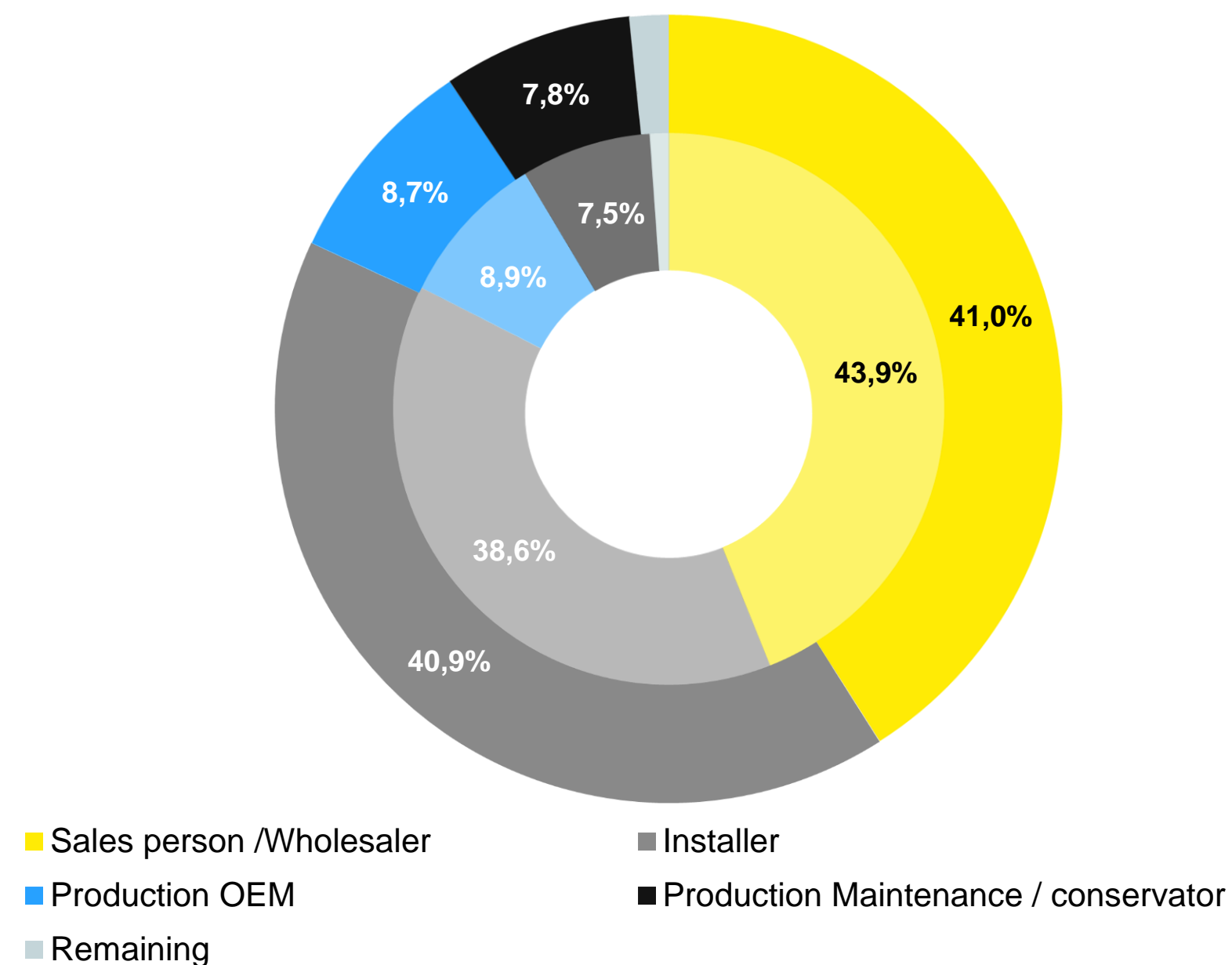
TIM S.A. profitability of sales and segmentation

Gross margin for sales (mln PLN)



- In the IV quarter and in the entire year of 2021 dynamic growth of nominal gross margin from sales and its margin

Income divided into customer segments in 2020 vs. 2021 (%)



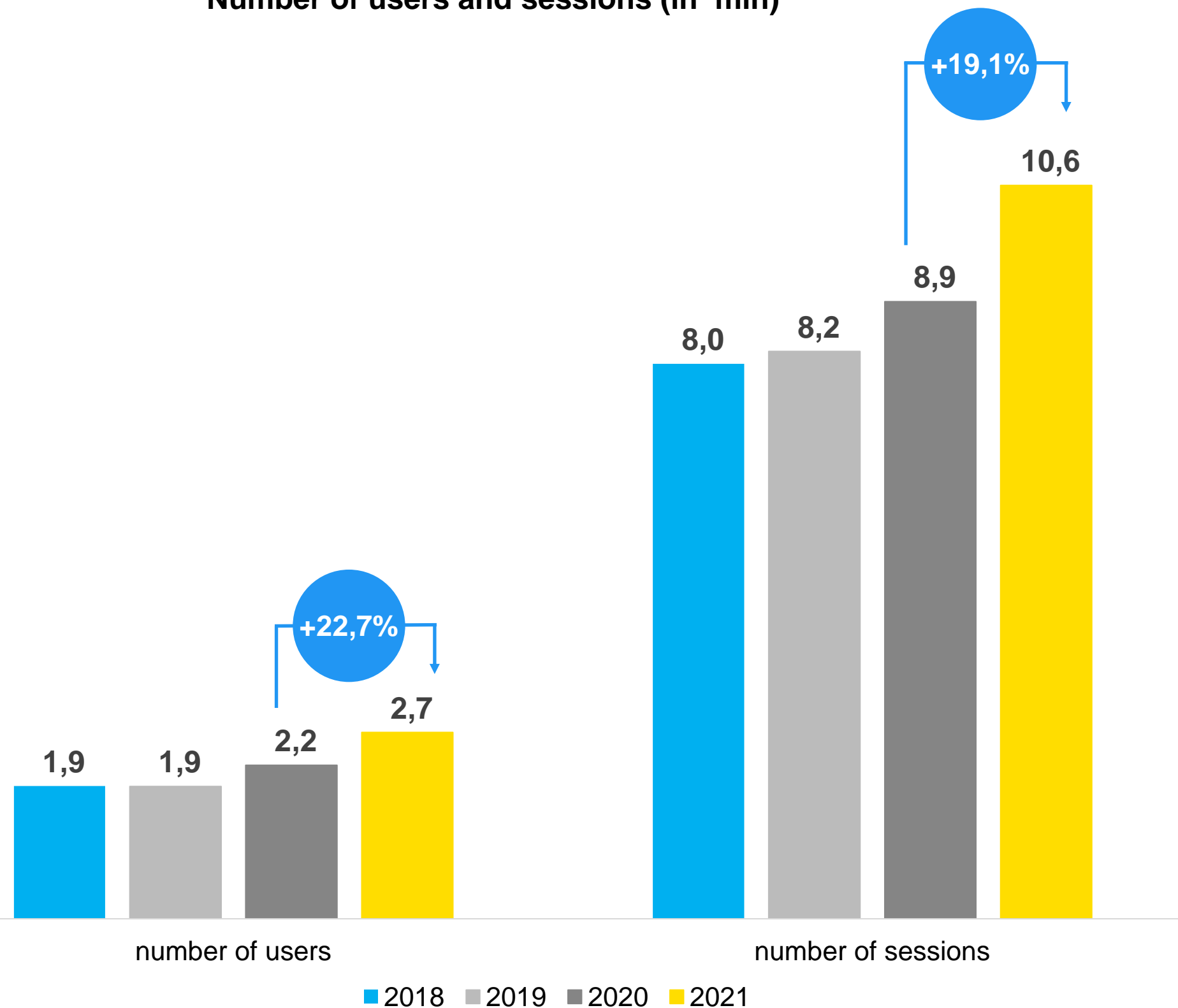
- At the end of 2021 number of key customers* totaled 18 102, hence it increased to 25,2% r/r.

- Customer carrying out the sale over 1,5 thousand PLN.per month in the last 12 months.



TIM S.A. – Increase in effectiveness of the e-commerce segment

Number of users and sessions (in mln)



54% (+3 pkt proc. vs 2020)
users come from organic traffic (SEO)

25,4% (- 5 pkt proc. vs 2020)
Share of traffic from the Ads feed

23,9% (- 7,5 pkt proc. vs 2020)
Bounce rateTIM.pl (bounce rate)

MOSCA
EXCELLENCE IN STRAPPING SOLUTIONS

3LP S.A.

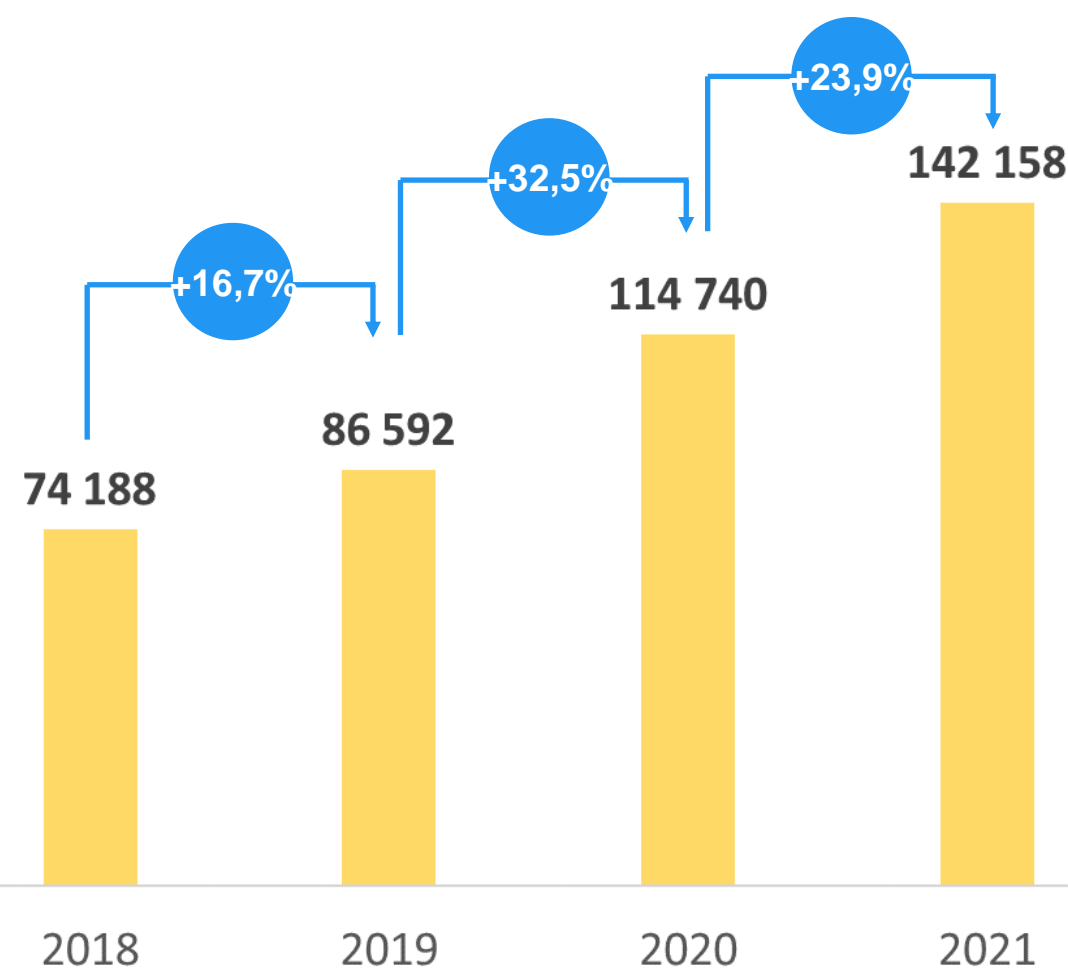




Growing diversification of products

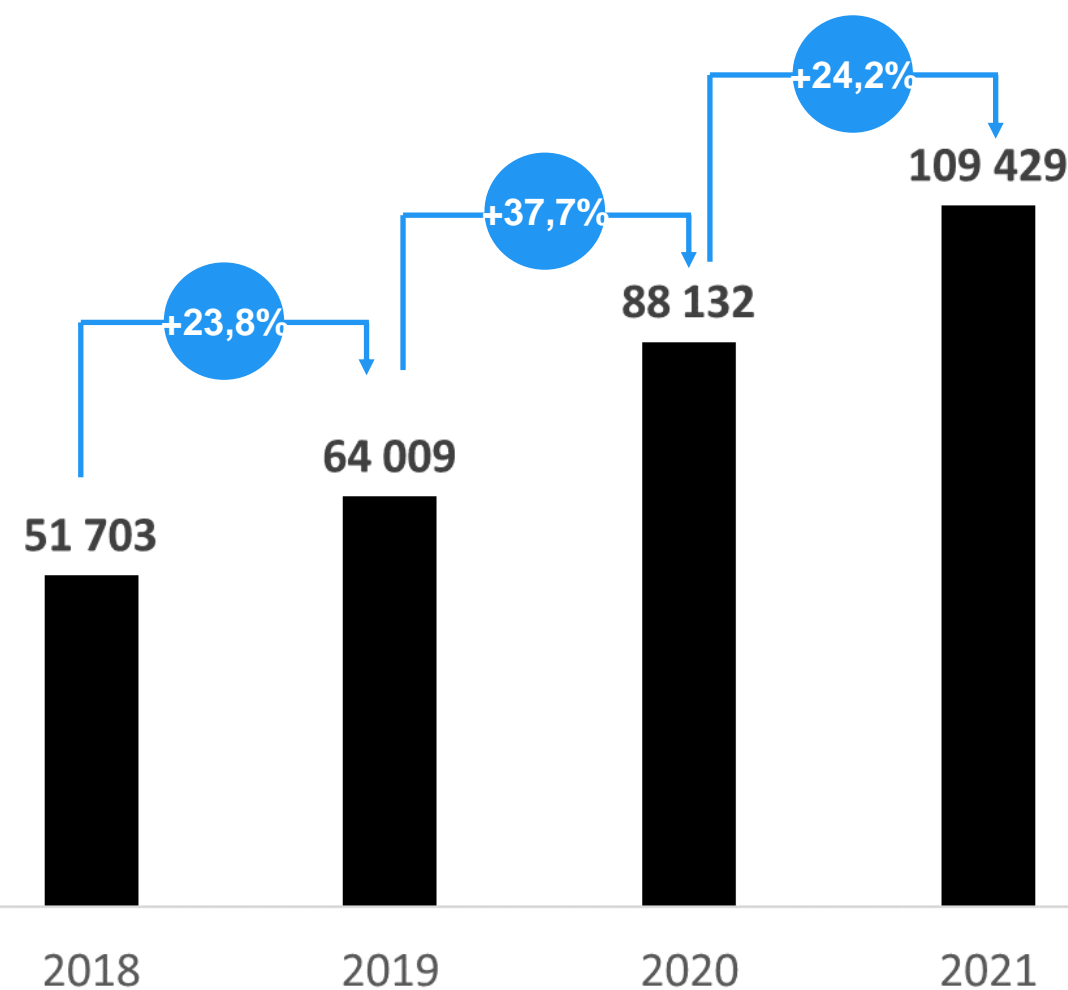
Total Revenue

w tys. zł



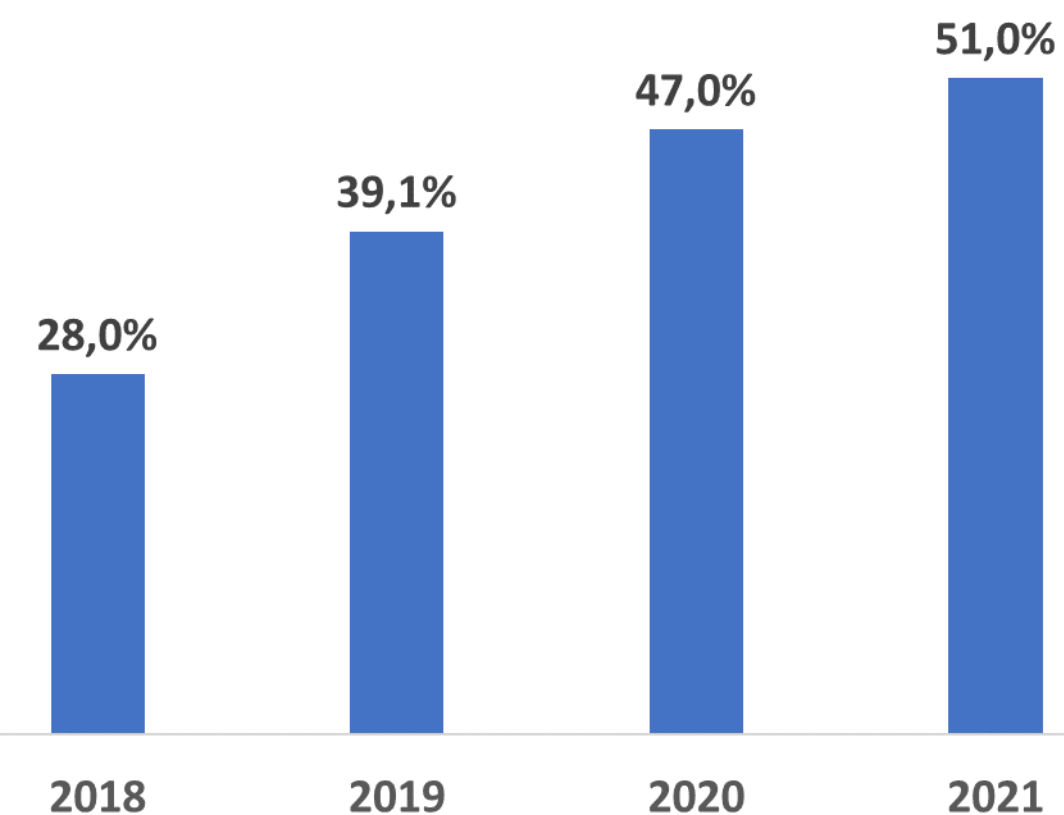
Revenue from fulfillment service

w tys. zł



Revenue share from fulfillment except for GK TIM

%



3LP guarantees customers mid-market operational and cost efficiency

Types of companies operating in e-commerce using fulfillment services

Largest e-commerce companies

- own resources allow for selection of automation and planning of logistic processes
- most often it outsources logistic operations in its own automated warehouse

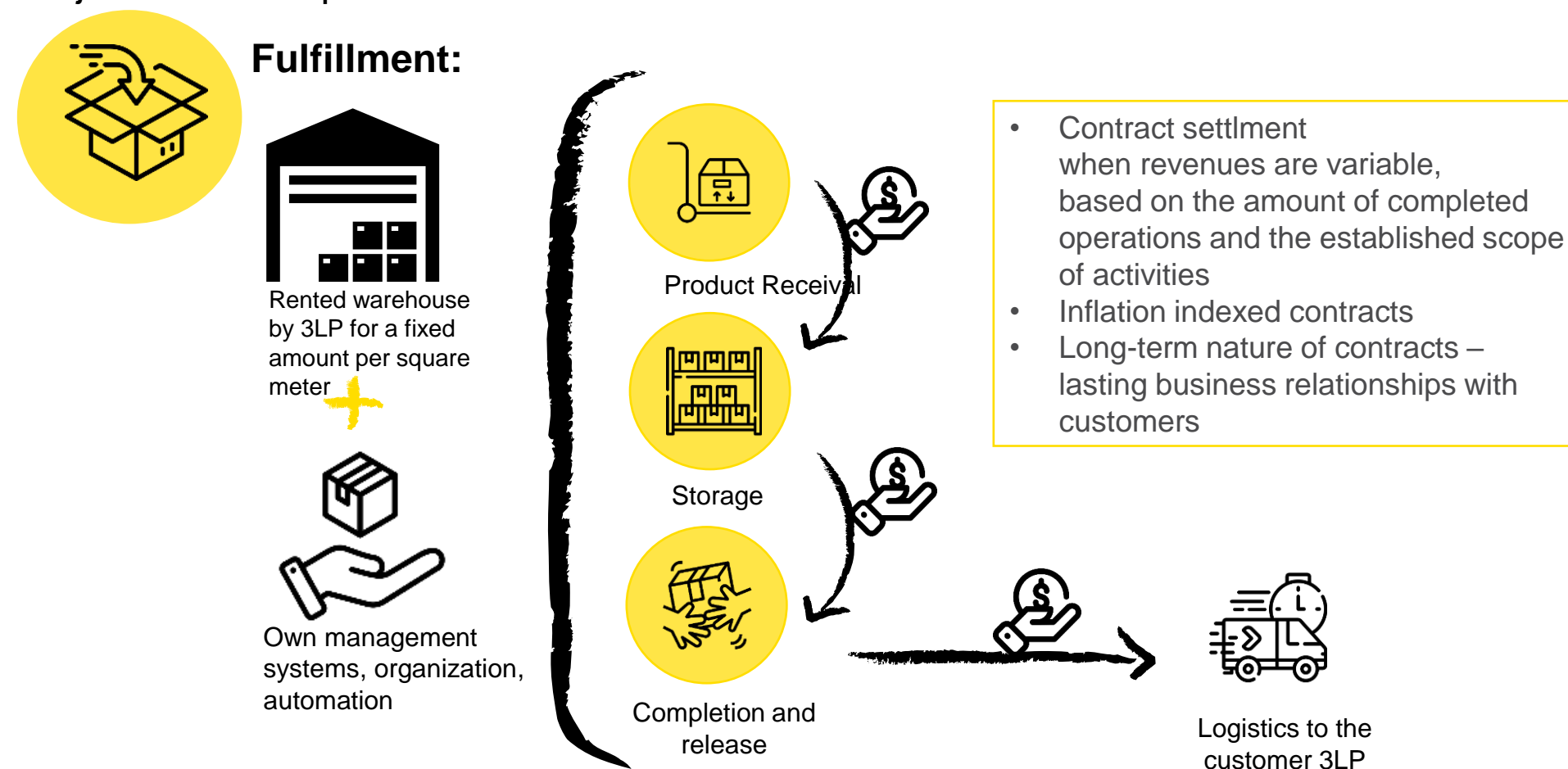
Mid market – medium e-commerce companies and traditional offline retailers

- lack of know-how and scale allowing for own automation
- Separation of logistic processes to an external operator with the most optimal development
- **Customers of fulfillment companies, hence. 3LP**

Small e-commerce companies

- the scale or the specification of the product does not justify usage of automation
- logistics carried out independently or outsourced to non-automated entities

Fulfillment 3LP tailored for mid market – billing model based on variable remuneration adjusted to the specific nature of the customers' business



Remaining services 3LP



Transportation services

Provided mainly for TIM and include management of the forwarder's car fleet, arrival and departure times and loading of the cars.



Buffer warehouses

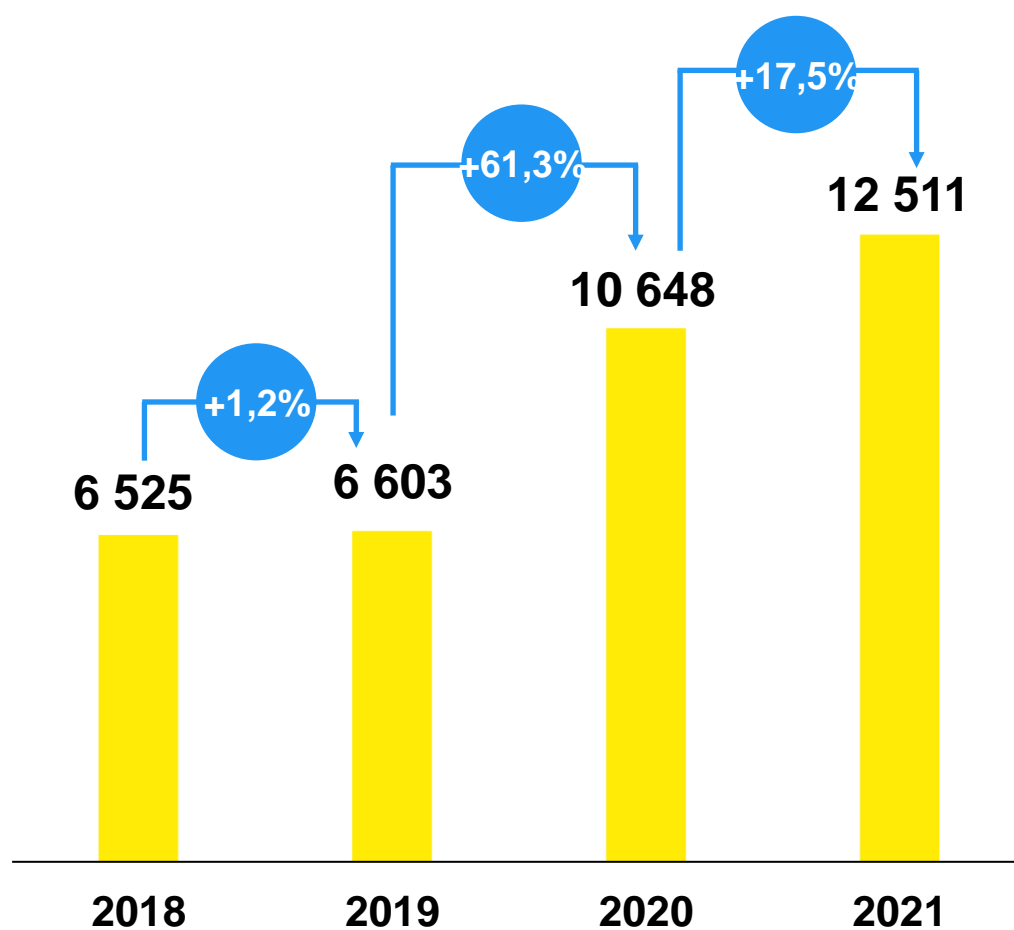
Irregular services of the buffer warehousing, making inventory management easier for the customers



Dynamic growth of the scale of business

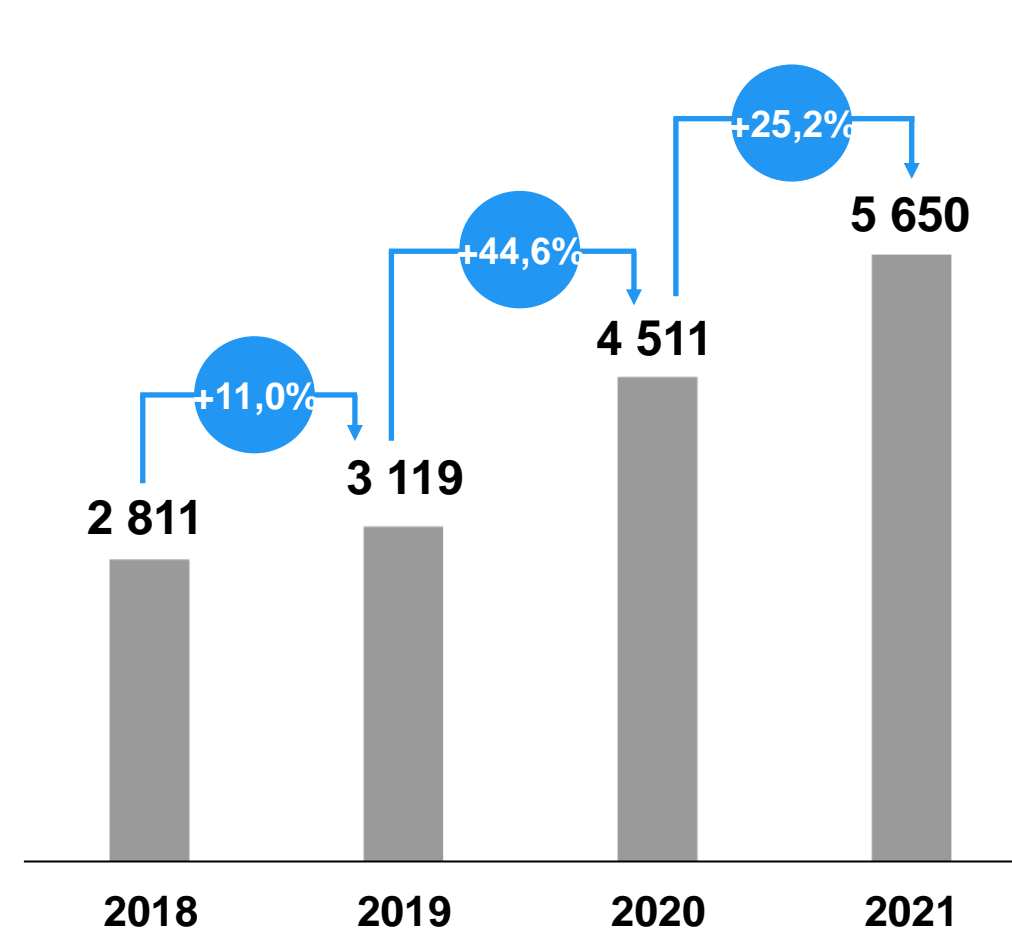
Number of completed orders

In thousands.



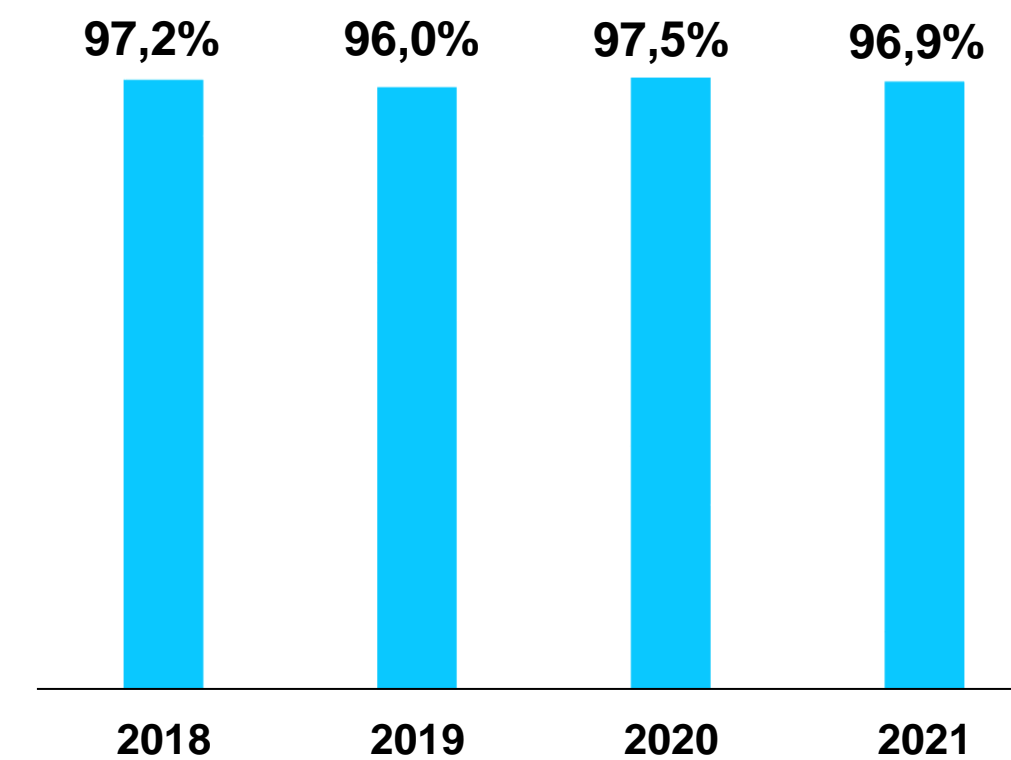
Number of shipments (packages + pallets)

In thousands



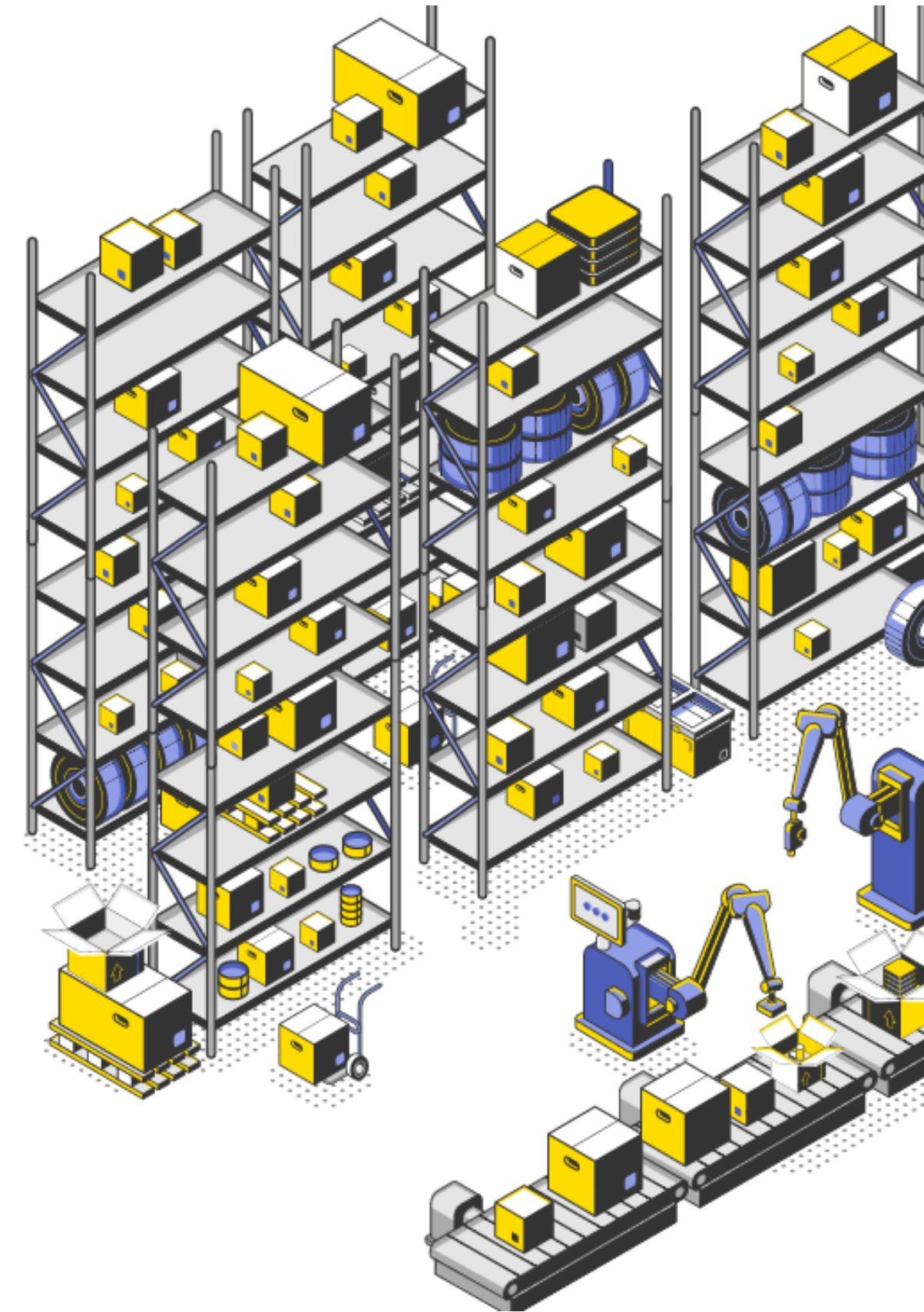
Punctuality of deliveries

Annual average %



Development strategy 3LP aimed at further dynamic expansion of the company

-  In 2022 - 2-fold growth of the total managed area of the warehouse and 3-fold in 2023
-  Increase in automated space 1,5 times at the turn of 2022 and 2023
-  Acquisitions and new sectors
-  Service offer for the German market
-  New services and with higher margins and investment in green energy
-  Commencement of in-house cooperation and JV as additional source of space
-  Increase in the share of fulfillment revenues from outside the TIM Group to ~60% w 2023



3-fold increase of the total managed area 3LP in 2023, with particular emphasis on automation

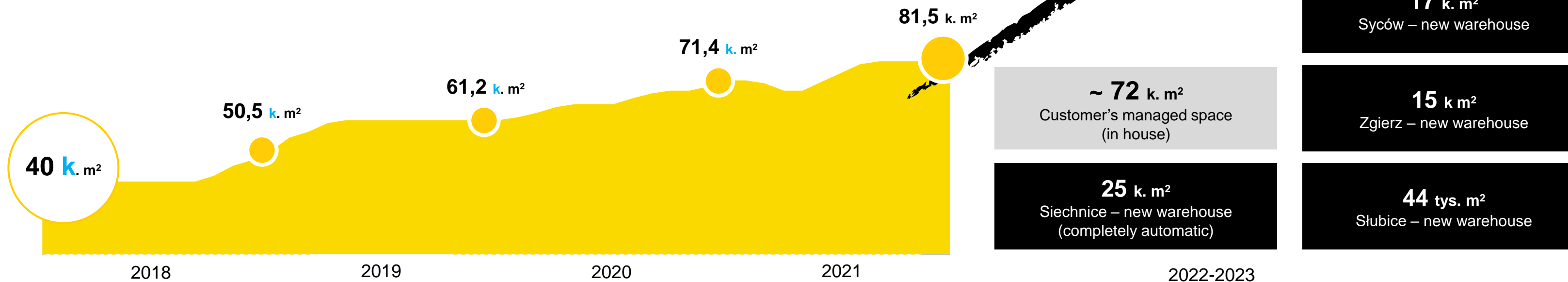
Evolution of the total area managed by 3LP

➤ 3LP is dynamically developing total managed space to approx. 180 m² at the end of 2022 and approx. 240 m² at the end of 2023 - the lease prices of these warehouse spaces have been contracted

➤ Currently, 3LP has 30 thousand. m² (~ 40%) of automated space - the company is finalizing the construction of 25 thousand. m² of warehouse in Siechnice, where 15 thousand. m² with fully automatic Shuttle System)

➤ **The company is finalizing negotiations regarding the extension of existing contracts with customers, in addition, the company is in talks with a potential total value of approx. PLN 100 million in revenues per year from fulfillment (approx. 100% of current revenues from fulfillment)**

➤ At the end of 2022, approx. 20,00 m² will be the warehouse space dedicated to TIM Group – cooperation on market terms



*The total space at the beginning of the presented periods refers to the warehouse space, managed by the Company, but does not have to be necessarily fully commercialized and thus generate income.

Planned investments to increase efficiency at many levels of the organization

Investments in the scope of warehouse automation

52 mln PLN



System Shuttle 2.0

increase of the automation area to 50%



Remaining investments in automation

Increase the use of space by 20% due to carts VNA
Increase in work efficiency by 5% due to the new code readers

Development of the managed warehouse space

40 mln PLN



Organic Development

Attainment of 240 tys. m² under management in 2023

New warehouse in precisely chosen locations



Acquisitions in Logistics

Customer acquisition,
a leap increase in managed space and entering
new e-commerce segments

Investment in environmental protection as it pertains to green energy

8 mln PLN



Support for the implementation of the ESG strategy

Sustainable development based on standards, which take into account the impact on the company's stakeholders

Photovoltaic farm with a capacity of 2MW or a long-term contract with a RES producer for the supply of energy in the volume of the annual demand of the Company, and the purchase of recycling equipment

Development potential 3LP

Summary of the situation



Dynamic development of fulfillment in Poland

– e-commerce growth



Leading position of 3LP on the market of comprehensive fulfillment services – a partner for medium-sized e-commerce companies without the scale allowing them for their own automation



Perspective of 3-fold business growth – total managed area 3LP by the end of 2023 and complete automation during implementation



Increase in warehouse and fulfillment rates in Poland

- **an above average prospect of growth in 3LP results** – signed contract for the rental of warehouses with negotiated rates before the price increase



Advanced conversation pipeline with new customers

for new managed warehouse space and new clients from acquisitions and the German market, supported by an unmatched supply of warehouses in Poland

Current activities



Current business operations

- Extended contract with current key customers
- A secured contract for servicing 72 thousand m2 area – customer's warehouse (in house)



Organic growth

- Development of the Logistics Center in Siechnice
- Signed lease contract for 2 new warehouses and negotiations in progress for further development of the managed area



Acquisitions

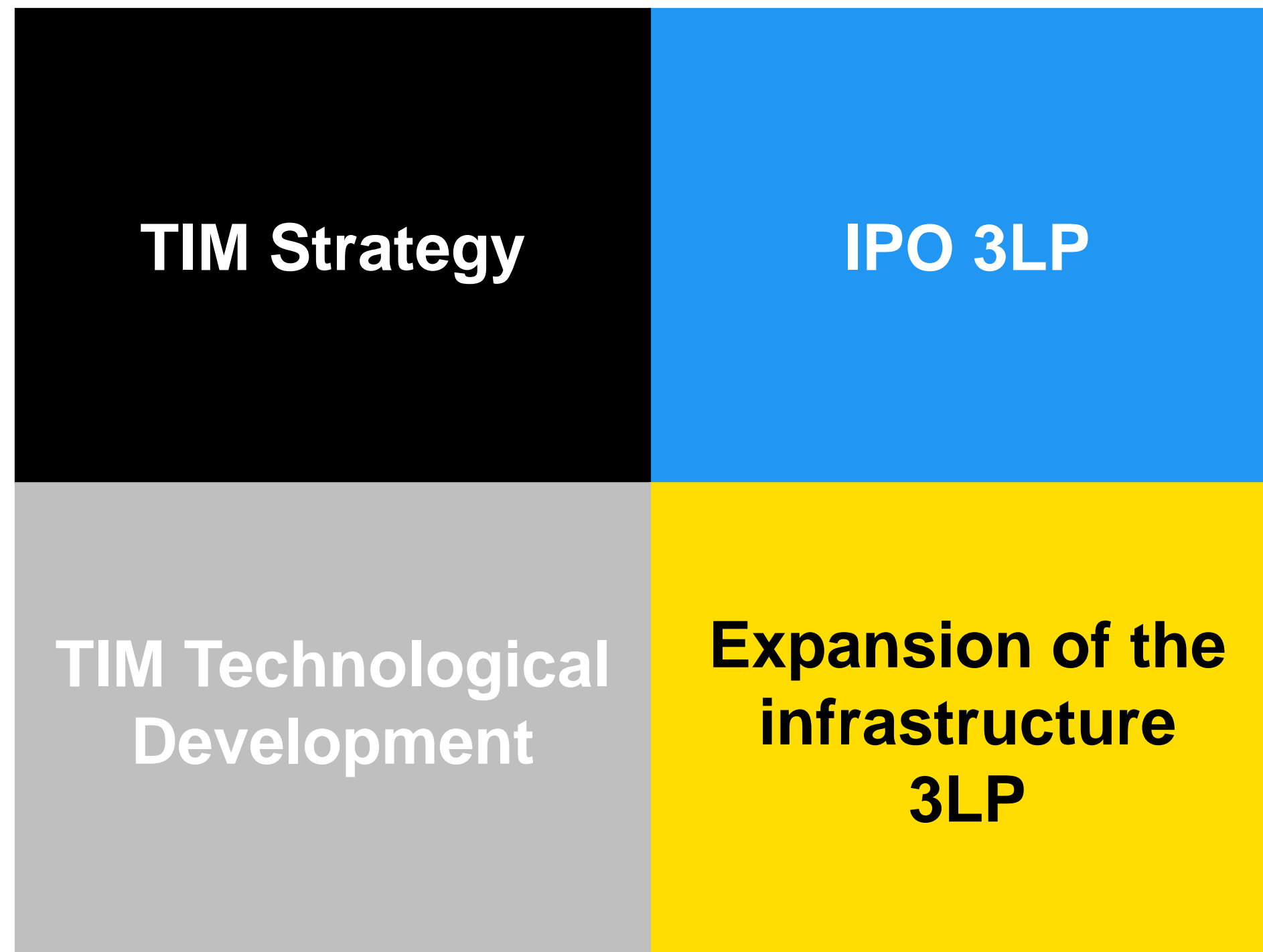
- Review of potential acquisition targets - signed contract with the transaction advisor
- Acquisition of customers in new segments and a leap increase in the scale of operations

KEY ACTIVITIES





Key Activities of TIM Group in 2022



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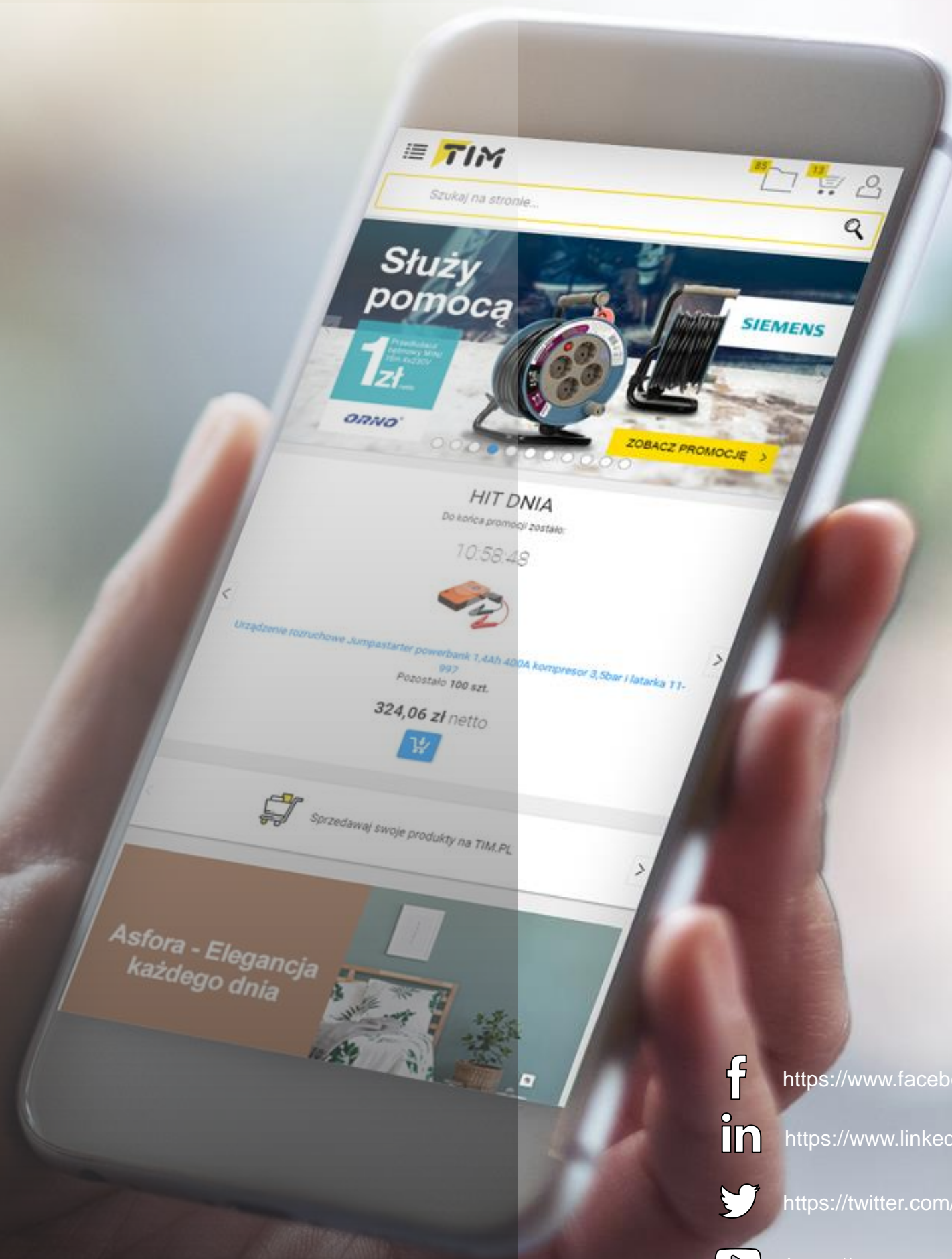
InnerValue

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