

Ladies and Gentlemen,

I am addressing you in exceptional circumstances, hence my message departs slightly from the commonly accepted standards of communication with stakeholders.

In this part of the report we usually refer to our achievements and results in the previous year, their impact on our future actions and the strategic decisions that we intend to take. It is also in this part that we estimate the financial results our Company intends to achieve in the future. Today, however, we are facing an extraordinary and unprecedented situation. In the face of the epidemic that has struck the global economy so hard, forecasting the market development trends over the space of even a few months is very difficult, if not impossible. Any forecast under the present circumstances is likely to be highly inaccurate. Currently, even economic experts such as Goldman-Sachs investment bank predict that the GDP drop in the Euro Zone will range anywhere from 6 to 16%, which proves that any estimate is more of a wishful thinking than a reliable forecast of what we can expect.

A positive aspect of the situation is that the business sector in which Inter Cars operates is relatively safe and stable, and that the global crisis has not affected it as much as the other parts of the economy. The Coronavirus pandemic has caused changes in the behaviour of consumers, who are now increasingly using their own cars rather than public transportation. We are also witnessing an increased migration of the OE market car users to the aftermarket, and we expect a growth in the number garage customers. We are also expecting far-reaching changes on the market, including a departure of smaller distributors, especially those selling spare parts for trucks, tyres, and lubricants (mainly oils).

The Inter Cars Capital Group is the biggest independent vehicle spare parts distributor in Europe, running a uniform logistics chain, product management, controlling and business support departments across several countries. We have independent structures handling sales and local marketing activities in every single country in which we operate. The head office in Poland is responsible for coordinating the activities of its subsidiaries and managing the operating activity areas. This way we are able to use numerous synergy effects and facilitate the flow of knowledge between different entities comprising the Inter Cars Capital Group. Thanks to numerous investments and implementation of optimisation processes we are ready to face the upcoming challenges.

We have completed the next stage of development of the Inter Cars European Logistics Centre in Zakroczym, which now offers a total storage area of 65,000m². We are continuing the implementation of a standardized IT tool for B2B sales. In most countries in which operate, both our salespeople and customers use a common, modern online catalogue compatible with all hardware platforms. Its users find it to be the best tool of its kind on the market.

The advent of a universal electromobility trumpeted all over the world and the forecasted negative impact of the new automotive technologies on the market in its present shape seem to be a very distant future. Nevertheless, we have been carefully observing the changing technologies and market trends. However, electric cars are unlikely to take over a significant share of the market (in the countries in which IC is present) in the years to come, affecting the hitherto sales of spare parts. On the contrary, over the next few years, we



expect a further growth in the sales of the products offered by Inter Cars to independent garages.

Another optimistic sign is the consistent growth in the number of customers of independent garages, which translates into an increase in the sales of spare parts.

In 2019, Inter Cars's revenues were higher than in the preceding year. They increased by 10.3 % and amounted to PLN 8,764,261 thousand. The net profit for 2019 was PLN 227,096 thousand, that is 1.8 per cent more than in 2017. In addition, Inter Cars opened 13 new branches and, consequently, at the end of 2019, its distribution chain comprised 561 points of sale across 17 countries. In 2019, we also commenced our activity in a new country, Serbia. Our strategy is to offer independent garages all parts, tools and technical knowledge required to repair any car. We continue to extend our offer of parts and assemblies in all our markets. This strategy guarantees a better return on investment than further geographic expansion using the traditional sales chain concept.

As we have previously announced, we are continuing to develop a B2C sales chain. The share of online sales in the total revenues of the Inter Cars Capital Group increases faster and faster each year. Our Germany-based online store - motointegrator.de - has reported a dynamic sales growth. We are also working on a new IT platform that will allow us to smoothly launch new online stores in the other Western European countries in which we do not plan to build traditional sales chains.

Our Motointegrator.com website is currently the biggest garage search engine on the market. It also serves our customers (garages) as a platform for selling their services. At the end of 2019, Motointegrator.pl was present on 4 markets (PL, BG, HR, LT) with over 11,000 independent garages registered on it. Thanks to the platform, they have been visited by over 30,000 customers monthly.

Environment protection is another important aspect of our activity and one of our priorities. We endeavour to follow top environment protection standards, for example, by offering our customers the BIO Service - a service consisting in a proper management of hazardous wastes, allowing garages to meet top environmental standards.

Dear Ladies and Gentlemen!

On behalf of me and the entire team of the Inter Cars Capital Group I wish to thank all our Customers for their cooperation and support. I would also like to thank our Shareholders for their trust in us.

Respectfully yours,

Maciej Oleksowicz
President of the Management Board of Inter Cars SA