

Appendix 1 to Resolution No. 12/2022 of the Supervisory Board of INTER CARS S.A. of April 29th 2022

Report of the Supervisory Board of Inter Cars S.A.

on its activities in 2021, along with the assessments prepared in accordance with the Code of Best Practice for WSE Listed Companies 2021

The Supervisory Board of Inter Cars S.A of Warsaw (the “**Company**”) submits to the General Meeting a report on its activities in the period **from January 1st to December 31st 2021**, along with the assessments prepared in accordance with the Best Practice for GPW Listed Companies 2021 (the “**WSE Best Practices**”).

I. Composition of the Supervisory Board and its committees

As at January 1st 2021, the composition of the Company's Supervisory Board was as follows:

- 1) Andrzej Oliszewski – Chairman of the Supervisory Board;
- 2) Jacek Podgórski – Member of the Supervisory Board;
- 3) Radosław Kudła – Member of the Supervisory Board;
- 4) Tomasz Rusak – Member of the Supervisory Board;
- 5) Piotr Płoszajski – Member of the Supervisory Board;
- 6) Jacek Klimczak – Member of the Supervisory Board.

In the reporting period, the composition of the Supervisory Board did not change.

Currently, there are at least two members on the Supervisory Board who meet the criteria of independence from the Company and entities with significant links to the Company pursuant to Annex II to the Commission Recommendation of February 15th 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board, the relevant criteria specified in the WSE Best Practices, and the independence criteria specified in Art. 129.3 of the Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017.

Since September 25th 2017, there has been an audit committee operating within the Supervisory Board in compliance with Art. 128 and Art. 129 of the Act on Statutory Auditors, Audit Firms and Public Oversight of May 11th 2017 (the “**Audit Committee**”).

As at January 1st 2021, the Audit Committee consisted of the following Supervisory Board members:

- 1) Piotr Płoszajski – Chairman of the Committee (independent member of the Supervisory Board);
- 2) Andrzej Oliszewski – Member of the Committee;
- 3) Jacek Podgórski – Member of the Committee (independent member of the Supervisory Board).
- 4) Radosław Kudła – Member of the Supervisory Board.

As at the date of authorisation of this report, the composition of the Audit Committee did not change.

The Audit Committee operates within the Supervisory Board and is appointed to supervise the financial reporting process, the effectiveness of the internal control, internal audit and risk management systems, and to monitor the performance of financial audit activities.

II. Meetings of the Supervisory Board and its committees

During the reporting period, the Supervisory Board held six meetings, during which it adopted resolutions required under the applicable laws and regulations, and took positions on matters included in the agenda of the meetings. The meetings were held on March 29th, April 19th, April 29th, May 24th, September 28th and November 29th. All Supervisory Board members were in attendance at all of the meetings. The Supervisory Board meetings were also attended by members of the Management Board and other representatives of the Company, which enabled the Supervisory Board to obtain comprehensive answers and explanations on matters covered by the respective agendas. The Supervisory Board was also kept informed, by email, of all material aspects of the Company's operations. Furthermore, the Supervisory Board was provided with all requested information and materials prepared by the Company's Management Board.

During the meetings, the Supervisory Board passed a number of resolutions, including on the application by the Supervisory Board of the recommendations and principles of the Best Practice for GPW Listed Companies. In the reporting period, the Supervisory Board also passed four resolutions by written ballot, i.e. a resolution to pay advances towards bonuses due to the members of the Company's Management Board for 2020, a resolution to authorise the Supervisory Board's statement addressed to PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., a resolution to apply the Best Practice for GPW Listed Companies, and a resolution to grant consent to the acquisition of real property by the Company.

During the meetings, the Supervisory Board also discussed other material matters as presented thereto by the Management Board, including sales performance, sales growth (including growth in export sales), the Company's and the Group's financial position in Poland and abroad, and the Group's financial performance, as well as reviewing any adjustments made to the financial statements, in particular relating to the amount of provisions for project costs and methods applied to account therefor. In addition, the Audit Committee reported to the Supervisory Board, keeping it informed of the Committee's activities and of its recommendations and assessments regarding tasks and activities performed by the internal audit unit.

In the reporting period, the Audit Committee held eight meetings: on February 4th, March 10th, April 19th, April 29th, May 7th, May 24th, September 6th and September 13th.

In the reporting period, the Audit Committee performed the audit committee tasks laid down in applicable laws. Matters discussed during the Audit Committee meetings included: (i) activities of the internal audit function in 2020, including in particular issues related to the staffing of the internal audit department and the manner in which it performs its responsibilities, the internal audit department's priority tasks and high risk areas, including receivables management, progress on delivery of different tasks specified in the internal audit plan, the reasons for reducing the internal audit costs in 2020 and for their increase in 2021, and the areas of internal audit activities requiring improvement; (ii) progress in the auditor's work; (iii) the Company's and the Group's financial performance; (iv) performance of the internal audit budget and plan in 2020, together with other activities, including high risk monitoring status; (v) key risk areas at the Inter Cars Group in 2021 and the extent to which the internal audit function and the Audit Committee addressed them; (vi) the progress on implementing recommendations from prior audits at the Group; and (vii) certain compliance-related matters. At its meetings, the Audit Committee passed a number of resolutions, including a resolution to adopt the internal audit plan and budget for 2021, a resolution to adopt a recommendation upon assessment of the Company's and the Inter Cars Group's financial statements for 2020, and the Directors' Reports on the Company's and the Group's operations in the financial year 2020, and a resolution to conduct a competitive bidding procedure to select an auditor for the Company and the Group.

On April 19th 2021, as part of monitoring the auditor selection process, the Audit Committee discussed and preliminarily assessed of the submitted bids and, based on the internal audit department's recommendations, shortlisted the bidders. In early May 2021, the Audit Committee met with representatives of the shortlisted bidders to discuss the details of their bids.

On May 24th 2021, the Audit Committee authorised a report on the bidding procedure conducted to select an auditor and resolved to issue a recommendation on the selection of an auditor to audit the financial statements of the Company and of the Group's key entities for 2021 and 2022, which resulted in the appointment of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. as the auditor for the Company and the Group.

In 2021, the Audit Committee also gave its consent to each provision of non-audit services by the audit firm or members of its network.

In the reporting period, the Audit Committee also passed one resolution outside of a meeting, approving the purchase of non-audit services from the Group's auditor.

III. Information on the performance of the obligations under the Commercial Companies Code, other laws and regulations, and the Company's Articles of Association

In the reporting period, the Supervisory Board exercised ongoing supervision over the Company's activities in each area of its business, remaining in direct contact with the Management Board. The Supervisory Board assessed, among other things, the Company's economic standing, financial liquidity and ability to settle liabilities. The Supervisory Board also considered opportunities and methods for the Company's further development. As part of the supervision over the Inter Cars Group, the Supervisory Board analysed development prospects and current financial results of the Group companies. The Supervisory Board gave its opinions on the Group's draft business plans, budgets and strategic objectives, analysed the management methods and current financial condition of the Company, and discussed the implementation and delivery of the budget and material

projects. The Supervisory Board also reviewed the findings of internal audits performed in selected areas of the Company's and the Inter Cars Group's operations.

Within the prescribed deadline, the Supervisory Board assessed the Directors' Reports on the Company's and the Inter Cars Group's operations in 2020, the Management Board's proposal on the appropriation of profit for 2020, as well as the separate and consolidated financial statements for the financial year 2020, and submitted a written report on the results and findings of its assessment to the General Meeting.

The Supervisory Board also adopted a brief assessment of the Company's standing in accordance with the corporate governance policy applied by the Company.

In the reporting period, the Supervisory Board did not exercise its powers under Art. 383 of the Commercial Companies Code, i.e. it did not suspend, for good reason, any or all members of the Management Board, nor did it delegate Supervisory Board members to temporarily perform the duties of Management Board members.

The Supervisory Board operates in accordance with the corporate governance rules set out in the WSE Best Practices. In 2021, there were no instances of non-compliance of the Supervisory Board with the corporate governance policy applied by the Company.

IV. Assessment of work of the Supervisory Board

In the financial year from January 1st 2021 to December 31st 2021, the Supervisory Board, acting conscientiously and with due diligence, performed its duties stipulated in the Articles of Association and the Rules of Procedure for the Supervisory Board.

The role of the Supervisory Board is to exercise ongoing supervision over the Company's activities in each area of its business, in accordance with the Commercial Companies Code, the Company's Articles of Association and the Rules of Procedure for the Supervisory Board adopted by the General Meeting. Other key objectives of the Supervisory Board's efforts are to supervise the Company's Management Board and monitor its activities, and to ensure stability of the Company, its controlled development and strengthening of its market position.

Taking into account the work and involvement of the Supervisory Board, and based on the findings discussed above and the Supervisory Board's general activity in 2021, the Supervisory Board is of the opinion that in the reporting period it fulfilled its statutory duties in a proper manner and for the benefit of the Company, in line with best market practices. In 2021, the Supervisory Board exercised effective and efficient supervision over the Company, and its cooperation with the Management Board was good and properly organised. Therefore, we move that the members of the Supervisory Board be granted discharge from liability in respect of their duties in the reporting period.

V. Assessment of the Company's standing, including evaluation of its internal systems and functions

This evaluation is the Supervisory Board's assessment of the Company's standing and includes evaluation of the Company's internal control, risk management and compliance systems and the internal audit function, in accordance with the Company's corporate governance policy. The Supervisory Board performed this assessment on the basis of the Directors' Reports on the Company's and the Inter Cars Group's operations in 2021, the separate and consolidated financial statements for 2021, as well as information obtained by the Supervisory Board while performing its duties.

A. Assessment of the Company's standing

The Supervisory Board gives a positive opinion on the Management Board's achievements in 2021, which should be viewed as a period of robust performance by the entire Inter Cars Group.

In 2021, the Inter Cars Group (the "Group") reported revenue of PLN 12,242,047 thousand, which represents a 33.7% year-on-year improvement, and delivered net profit in excess of PLN 699m, up 109.9% on the previous year. In 2021, the Group opened 21 new branches, and as at December 31st 2021 its sales network comprised 578 points of sale in 19 countries.

In the Supervisory Board's opinion, the Group's performance in 2021 was driven primarily by a post-pandemic growth in demand for automotive aftermarket spare parts. The 109.9% year-on-year increase in net profit for 2021 was mainly attributable to revenue growth (33.7%) outpacing growth in distribution costs (26.7%), which also resulted the Group posting a record high profit margin of 5.7% (vs. 3.6% a year earlier).

The Supervisory Board positively assesses the Group's growth in Poland and abroad. The Group's activities have helped to further strengthen Inter Cars' leading position in Central and Eastern Europe. The Supervisory Board also favourably assesses the results posted by all of the Group subsidiaries in 2021. In 2021, the fastest growing markets of the Group included Serbia, Greece, and Moldova. These are new markets where the Group is expanding its offering. Romania is the Group's second largest market (after Poland). With 61 branches, Inter Cars ranks third on the Romanian market. The Group recorded a year-on-year increase in revenue in excess of 23% in all of its geographies.

In 2021, a year which was major supply chain disruptions, halted production and reduced new vehicle sales, the Group's main objective was to maintain uninterrupted supplies to customer workshops. Semiconductor output reductions in 2020, coupled with a rapidly growing number of orders for new vehicles, resulted in a shortage of new cars on the market. This translated into an extension of new car delivery times to even as long as nine months and unavailability of certain models, including both passenger cars and cargo vans. As a result, many drivers postponed the purchase of a new vehicle, thereby extending the use of their existing cars, or opted to buy a pre-owned automobile. This has prompted more and more motorists to have their cars serviced by non-dealer garages, which over recent years have significantly improved the quality of their services, while continuing to procure mainly aftermarket parts and offering more competitive prices than authorised service centres. The Group was able to maintain the continuity of supplies thanks to its extensive distribution network and well-stocked Zakroczym, Komorniki and Sosnowiec logistics centres. The Group's foreign subsidiaries operate warehousing facilities which supply local markets, including in Riga (Latvia), Zagreb (Croatia), and Braşov (Romania). In the opinion of the Supervisory Board, this ensures sufficient supply diversification to mitigate the risk of reduced product availability from manufacturers.

The Supervisory Board was also pleased to learn that *Computer Bild*, Germany's, and Europe's, largest computer magazine, had awarded the Group's online store www.motointegrator.de its fourth TopShop title (TopShop 2021). The Inter Cars-operated e-commerce platform was among only a handful of automotive aftermarket spare part stores that deserved the distinction. The jury underscored that the platform could be recommended not only for its wide selection of merchandise but also for the quality of its customer service and short delivery times. Moreover, its security and high quality of service at each stage of the order submission and handling process were recognised by the renowned German IT sector magazine *CHIP*, which this year selected [motointegrator.de](http://www.motointegrator.de) as the best in its industry and awarded it with a prize and the 'Leading Shop 2021' certificate.

The Supervisory Board was also proud to learn that Inter Cars had received an 'Investor in Human Capital' certificate, an exceptional recognition awarded to employers based on an employee satisfaction survey. Inter Cars' another accomplishment was the award to the Company of a 'Top Quality HR Manager' certificate by the Polish Association of Human Resources Managers, confirming that Inter Cars is a fair and reliable employer that applies modern HR solutions.

The Supervisory Board would like to emphasise that, in addition to the distribution of parts and automotive products, the Group is also engaged in manufacturing activities closely related to the automotive industry, which expand the distribution network's value chain. Lauber Sp. z o.o., engaged in regeneration of automotive parts and subassemblies, and Feber Sp. z o.o., a manufacturer of semi-trailers, are positive contributors to the Group's financial results. The Group's offering also includes sale of Isuzu and Ford Truck vans and trucks by Q-Service Truck Sp. z o.o., Poland's first authorised dealer of the brands. The company is also an authorised representative of ZF Friedrichshafen AG for the sale and repairs of manual, automated and automatic truck gearboxes.

The Supervisory Board also expresses its appreciation of the Company's fulfilment of the highest standards in corporate social responsibility, reporting, investor relations management, corporate governance, information policy, as well as environmental, social and economic impacts. Inter Cars S.A. is among the companies that met the criteria defined by the WSE and its stock was included in the WIG-ESG index. The level of compliance with ESG criteria is verified based on Sustainalytics' reports and assessment of compliance with the code of best practice.

Assessment of the Company's financial statements for 2021, the Directors' Report on the Company's operations in 2021 and the Management Board's proposal on the appropriation of the Company's net profit for 2021 is presented in a separate report of the Supervisory Board.

B. Assessment of the internal audit, risk management and compliance systems, and of the internal audit function

The Company does not fully comply with the WSE Best Practices with respect to the implementation and maintenance of efficient internal control, risk management and compliance systems, as well as maintenance of the internal audit function. The internal control and risk management systems are dispersed, reflecting the organisational structure, and are maintained to a large extent by the Finance Division and the Operating Division, as described below.

The Company operates a compliance programme adopted by the Management Board in the second half of 2017, which includes in particular the Code of Conduct and Good Practice, Fraud Prevention Policy, Conflict of Interest Management Policy, Information Confidentiality Policy, Anti-Mobbing Policy, as well as Occupational Health and Safety and Environmental Policy. The programme is designed to ensure compliance of the Company's activities with the law, business standards and other market requirements by ensuring that the compliance risk is properly managed. Such processes as managing risks of fraud and conflicts of interest have been defined within the framework of the programme.

The Supervisory Board reviews the internal audit and risk management systems on an ongoing basis, which includes assessment of the process of preparation of separate and consolidated financial statements. The assessment is based on information provided by the Company's Management Board, Chief Financial Officer, and the Audit Committee. The Supervisory Board also assesses components of the compliance system on an ongoing basis, with the assessment based on information provided by the Company's Management Board, the Legal Counsel, and the Audit Committee.

The Audit Committee supports the Supervisory Board in the day-to-day pursuit of its supervisory tasks by monitoring the Company's financial reporting process, financial audit tasks, the auditor's independence, and the effectiveness of the internal control and risk management systems, and of the internal audit function.

Following establishment of a separate internal audit unit in Q1 2018, the organisation and effectiveness of risk management and control processes are also periodically audited by the internal audit unit, reporting functionally to the Audit Committee. In addition, the Audit Committee approves annual plans of internal audits, and any changes of such plans require prior consent from the Audit Committee. In 2021, internal audits were performed in selected areas of the Company's and the Group's operations. Relevant recommendations were provided on an ongoing basis to the Management Board, the Audit Committee and the Supervisory Board.

Financial statements and periodic reports are prepared in accordance with the applicable laws and the Company's accounting policies by the Chief Financial Officer, and are reviewed on an ongoing basis by the Management Board, which is responsible for the accuracy and consistency of information disclosed by the Company, and for the applied accounting policies. Financial statements are prepared exclusively by persons having access to relevant financial data. All financial data contained in the financial statements and periodic reports are sourced from the financial and accounting system, where all business events are recorded in accordance with the Company's accounting policies (approved by the Management Board), based on International Accounting Standards and International Financial Reporting Standards. The Company continuously monitors changes to the regulatory framework and regulations applicable to stock exchange reporting, and makes preparations sufficiently in advance to incorporate any required changes. The financial reporting process is also monitored by the Audit Committee, which reviews the Company's interim and annual reports and monitors individual stages of the process for compliance and correctness. The Audit Committee's tasks additionally include reviewing and giving opinions on the rules of the financial reporting systems used by the Company.

Once approved by the Management Board, financial statements are reviewed or audited by an independent auditor – the audit firm selected from among reputed audit firms and appointed by the Supervisory Board, taking into account recommendations of the Audit Committee. Based on circumstances identified during the audit of financial statements, the Finance Division, acting in communication with the audit firm, attempts to formulate recommendations on how to enhance the Company's internal control system, for possible implementation.

The Finance Division and Division Heads prepare periodic management information reports, including analyses of key financial data and operating indicators of the business segments, and submit them to the Management Board.

In view of the above, the Supervisory Board gives a positive opinion on the Company's internal control, risk management and compliance systems.

VI. Assessment of the Company's compliance with corporate governance requirements as specified in the Stock Exchange Rules and in the statutory regulations governing current and periodic information to be published by issuers of securities

In the opinion of the Supervisory Board, the Company made every effort to ensure application of and due compliance with the disclosure requirements imposed by law and other regulations. To ensure transparency and effectiveness of its disclosure policy, the Company provided the shareholders, analysts and investors with swift

and reliable access to relevant information.

The Company fully complied with the statutory disclosure requirements where they apply to current and periodic reports. In 2021, the Company published 25 current reports and 5 periodic reports. All reports are available on the Company's website at <http://inwestor.intercars.com.pl/pl/>, in the 'Reports' and 'Corporate Governance' tabs.

In the Supervisory Board's opinion, the information disclosed by the Company is compliant with the relevant requirements and gives a true and fair view of the application of the corporate governance policy.

VII. Assessment of the reasonableness of the Company's charitable giving and sponsorship policies, including assessment of the reasonableness of the Company's and the Group's expenses on supporting cultural initiatives, sports, charitable institutions, media outlets, non-profit organisations, trade unions, etc.

The Company's charitable giving and CSR policies have been incorporated into its sustainability strategy, which is described in detail in its non-financial statement. Furthermore, as part of the compliance programme, the Company implemented a system of supervision of charitable donations provided by the Company. Prior approval by the Company's Chief Legal Officer must be secured for all key charitable and sponsorship projects. A statement of expenditure incurred by the Company and its Group to support cultural initiatives, sports, charitable institutions, media outlets, non-profit organisations and trade unions in 2021 is presented in the non-financial statement. In order to maximise the Company's positive social impacts, the Inter Cars Foundation was established in 2021. Its mission is to support widely-available, safe, sustainable and climate-friendly mobility solutions. The Foundation focuses its activities in four key areas, i.e. developing the competencies of the future, environmental protection, health protection, and traffic safety. The Foundation's internal oversight body is its Board, which evaluates the Foundation's annual and longer term activity programmes and approves its annual activity and financial reports.

In 2021, the Company's CSR and charitable efforts were focused primarily on supporting children and teenagers' physical and intellectual development as well as saving their lives and improving their health. They were mainly dedicated to helping young people in hardship.

The Company supports sports activities and runs educational programmes for school children, and supports charity initiatives.

The Company has been sponsoring athletes, including mobility-impaired ones, competing in such disciplines as car racing, cycling, rugby, and running.

The Company, in partnership with automotive vocational schools, also runs an educational programme for young students. As part of the initiative, it provides, among other things, selected schools with modern equipment for vehicle repair and diagnostics, and holds theoretical training sessions.

Although the Company does not have a defined sponsorship and charitable giving policy, the Supervisory Board evaluates the Company's activities, including expenses, in this area as reasonable and desirable.

In the future, the Company may also develop a sponsorship and charitable policy document, which would reflect the Company's activities in this respect.

VIII. Final considerations

In the opinion of the Supervisory Board, the Management Board used all reasonable effort to ensure delivery of good financial results by the Inter Cars Group. Therefore, the Supervisory Board positively assesses the Management Board's efforts to further the Company's and the Inter Cars Group's key strategic objectives. The Supervisory Board recommends that the General Meeting grant discharge from liability to all members of the Company's Management Board in respect of their duties in 2021.