



**MANAGEMENT BOARD'S REPORT ON THE ACTIVITIES
INTER CARS S.A. AND THE INTER CARS S.A.
CAPITAL GROUP
IN THE YEAR ENDED ON 31 December 2024**



This document is a pdf copy of the official annual report, which was produced in xhtml format.

REPORT ON THE OPERATIONS OF THE INTER CARS GROUP

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(in thousand PLN)

1. INFORMATION ON BASIC ACTIVITIES OF INTER CARS GROUP

The Inter Cars Group has for years maintained a leading position in the distribution of spare parts for passenger cars and trucks, not only in the domestic automotive market but in the whole of Central and Eastern Europe. Inter Cars offers over two million spare parts for passenger cars and trucks, parts for motorcycles, farming and industrial machines as well as accessories for drivers.

In addition, Group has gradually been developing its activity in over 20 countries across Europe, ranking first in the Central and Eastern part of the continent, second on the entire continent and sixth globally. Inter Cars is celebrating its 35th anniversary in 2025.

The Group operates in Poland, Ukraine, Czech Republic, Slovak Republic, Lithuania, Hungary, Italy, Croatia, Belgium, Romania, Latvia, Bulgaria, Estonia, Moldova, Slovenia, Germany, Bosnia and Herzegovina, Greece, Serbia, United Kingdom, Malta, Norway and Albania.

The main customers of Inter Cars S.A. are customers from the B2B area (business-to-business model in which transactions take place between companies) - automotive garages. The Group actively supports automotive repair garages in gaining final customers - the drivers. For this reason, Inter Cars is launching B2C projects (a business relationship model in which transactions are aimed directly at individual customers), which are aimed at meeting automotive needs of drivers and redirecting them to garages which are given with quality and image support from Inter Cars S.A.

The Group opened 32 new branches in Europe in 2024, reaching an ever-wider group of customers.

Thanks to its present structure of sales of automotive spare parts, which corresponds to the stock of vehicles registered, high availability of its offering, and use of modern sales tools, the Group is able to offer attractive terms of cooperation to its customers. The Group is a leader in the implementation of new sales support solutions.

2024 is a year of continuous **development of activities of Inter Cars subsidiaries**. The Management Board expects that the growth of the whole Group in the forthcoming years will be significantly driven by its subsidiary undertakings

The spare parts distribution market has significant growth potential. The main market drivers include the **continuous increase in the demand for spare parts for commercial vehicles**, **liberalisation of applicable regulations** providing for access of independent spare parts distributors to authorized garages, **elimination of barriers to the import** of second-hand vehicles, **increasing complexity of repairs** due to the more widespread use of advanced technologies in the manufacturing of vehicles, and the continuously growing intensity of vehicle use, including in particular an increase in the average age of registered vehicles and the average mileage. The most important trends on the **independent spare parts distribution market** include the strong development of sales networks, extension of the range of products, development of sales support programmes, development of proprietary product lines and improvement of computer systems.

The Group's primary objectives are to continuously improve the quality of management of the flow of goods and to gain the leading position on the European market. To reach those objectives, the Group will expand its existing distribution model with additional elements (affiliate branches, regional warehouses and subsidiary distribution companies outside Poland), as well as introducing automation of logistics operations in the largest distribution centres. In effect, the Group will strengthen its position as the most effective and efficient spare parts distribution channel between manufacturers and end users – garages.

Inter Cars benefits from its scale of operation and at the same time is organised in smaller, specialised business segments, thus operating with agility and flexibility able to compete with smaller companies. The overriding strategic objective of Inter Cars S.A. is to build shareholder value through the optimal use of available intellectual and material resources and the implementation of development programmes in areas related to the services of the company.

The strategic objective is to remain the best mobility distribution company in Europe. We also aim to be the most profitable and the largest in every market in which we operate in every segment. Our aim is to maintain this position for decades. Our vision, mission and strategy are described in detail on our investor relations website available at <https://inwestor.intercars.com.pl/pl/o-grupie/misja-strategia-wizja/>.

Inter Cars S.A. Group's strategy of development is based on several key elements:

1. Product range development.
2. Expansion of the distribution network in Poland and abroad.
3. Logistics.
4. Development of partnership programmes.
5. Development of Motointegrator.pl and fleet programme.

(in thousand PLN)

The Group intends to reach its aim by organic growth in new markets as well as developing on the markets, where it has its business activities. The distribution chain is built on the basis of distributors selling merchandise on behalf of the Group. At the beginning of 2024, the Group started operations at the Group-owned Inter Cars Deutschland GmbH, and in the following months of 2024 also at Inter Cars Belgium NV and Inter Cars Albania SHA.

The Group still sees room for growth in the year ahead, primarily by developing sales within specific segments in each country. Growth, based on segment strategies gives agility and flexibility in business management and increases the Group's competitiveness, resulting in the fact that higher sales growth rates than local competitors have been recorded in many countries. In 2024, the Group set its sights on further growth by, among other things, expanding its product range. There are currently approx. 660,000 reference units, the highest number in Europe in traditional parts distribution.

The expansion of the Logistics Centre in Zakroczym was completed in 2024. The investment, which began just over a year earlier, has resulted in three new halls with accompanying infrastructure, and the total warehouse space at the European Logistics and Development Centre now comprises 114,300 m². In addition, the Skypod® system was officially launched in 2024 at the ILS European Logistics and Development Centre in Zakroczym. This is the first installation of its kind in Central and Eastern Europe, following 12 months of intensive work to build and integrate this advanced technology. The implementation of the system has made it possible to significantly increase automation, speed up order picking processes and improve warehouse efficiency. The Skypod® system is a state-of-the-art intralogistics solution developed by Exotec that enables autonomous robots to transport goods between warehouse racks and picking stations. The use of more than 200 robots in our warehouse allows four orders to be handled simultaneously at one station, speeding up the entire process and increasing productivity. One of the key elements of the Skypod® is its flexible and modular racking system with a height of more than 11 metres. This allows us to make maximum use of the available storage space and to flexibly adapt the racking layout to changing needs. The system is dedicated to 'S' (small) classification products weighing up to 6kg and allows the storage of up to 100,000 stock keeping units, which represents more than 20% of our entire range in Zakroczym. Work is also currently ongoing to implement the Skypod® system at our warehouse in Brasov, Romania. The project is in the installation phase, with an estimated value of around PLN 200 million, and is scheduled for completion in the third quarter of 2025. This will allow us to test the technology under a variety of operational conditions. The decision to further expand the system, will allow us to respond even better to the growing needs of our customers and develop our services on a global level at the same time demonstrating the Group's commitment to modern technological solutions.

The Inter Cars Group lives up to its motto "Sustainable automotive industry for people and the climate" by, among other things, constructing buildings with respect for the environment and human well-being, using pro-environmental and pro-social technologies, as confirmed by the prestigious BREEAM (Building Research Establishment Environmental Assessment Method) certificate at the 'VERY good' level awarded to ILS Sp z o.o. (Inter Cars' logistics company) for the newly built hall No. 6 at the European Logistics and Development Centre in Zakroczym. An important element that contributed to the Certificate was the installation of 1.8MW photovoltaic panels on the hall's roof, allowing the facility to generate its own electricity, which significantly reduces its carbon footprint and environmental impact. In addition, the company has ensured the efficient use of water and building materials, which also contributed to the positive assessment within the certification.

Between 04 and 07 June 2024, during the MODERNLOG Logistics, Warehousing and Transport Trade Fair, which took place in the centre of the Poznań International Trade Fair in the capital of Wielkopolska, ILS and DANXILS took part in a panel entitled 'Smart Warehouses - Automation and Transformation', during which the latest trends and innovations in the field of Smart Warehouse were discussed.

Since May 2023, Group company Armatus Sp. z o.o. has been the dealer of BYD electric trucks and vans in Poland.

During the 27th edition of the Business Food Medicine Auto Flota Rzeszów 2024 trade fair, which took place at the G2A Arena in Jasionka, we presented an electric BYD ETP3 refrigerated delivery vehicle to potential customers. In December 2024, Frigipol, the market leader in transport refrigeration in Europe, has decided to partner with BYD Trucks Poland. Frigipol's collaboration with BYD Trucks is an action that responds to the challenges of today's transport market. By combining BYD Trucks' innovative technology with Frigipol's expertise in refrigerated bodies, we get a new quality product dedicated to transport requiring specific transport temperatures. Currently on offer from Frigipol is an ETP3 isotherm-body delivery vehicle with a refrigeration unit from Rivacold, a leader in refrigeration technology, whose exclusive distributor on the Polish market is Frigipol.

During the 24th Ekotech Environmental Protection and Waste Management Fair in Kielce, the BYD ETM6 garbage truck vehicle was awarded a medal for the best product. With the environment in mind, Miejskie Przedsiębiorstwo Gospodarki Komunalnej Spółka z o.o. in Busko-Zdrój has opted for modernity and ecology by investing in a BYD ETM6 electric garbage truck vehicle with municipal bodywork.

(in thousand PLN)

2. FINANCIAL STANDING OF THE COMPANY AND THE GROUP FOR THE PERIOD OF 12 MONTHS ENDING ON 31 DECEMBER 2024.

2.1. SELECTED FINANCIAL DATA FROM THE CONSOLIDATED REPORT ON TOTAL INCOME OF THE GROUP

(in thousand PLN)	for the period of 12 months ended on		change
	<u>31/12/2024</u>	<u>31/12/2023</u>	
Revenues from the sale of products, goods and materials	19,473,078	18,030,309	8.0%
Cost of sales	(13,776,388)	(12,771,665)	7.9%
Gross profit on sales	5,696,690	5,258,644	8.3%
Other operating income	69,626	77,250	-9.9%
Selling, general and administrative expenses	(2,741,428)	(2,528,179)	8.4%
Costs of distribution service	(1,855,441)	(1,666,041)	11.4%
Other operating expenses	(110,725)	(106,585)	3.9%
Operating profit	1,058,722	1,035,089	2.3%
Financial revenues	22,083	19,739	11.9%
Exchange differences	3,186	(1,317)	-341.9%
Financial expenses	(186,854)	(184,874)	1.1%
Interest in associates	(3,041)	545	-658.0%
Profit before tax	894,096	869,182	2.9%
Income tax	(172,616)	(168,885)	2.2%
Net profit	721,480	700,297	3.0%
Attributable to:			
shareholders of the parent company	721,480	700,297	3.0%
OTHER COMPREHENSIVE INCOME			
Other comprehensive income subject to reclassification to profit or loss	(37,237)	(68,495)	-45.6%
Foreign exchange gains /losses	(37,237)	(68,495)	-45.6%
Total other comprehensive income, net	(37,237)	(68,495)	-45.6%
COMPREHENSIVE INCOME	684,243	631,802	8.3%
Comprehensive income attributable to:			
- the shareholders of the parent entity	684,243	631,802	8.3%
Earnings per share (PLN)			
- basic and diluted	50.92	49.43	3.0%
- diluted	50.92	49.43	3.0%
Weighted average number of shares	14,168,100	14,168,100	

Source: Consolidated Financial Statement of the Group for the year ended on 31 December 2024.

In 2023, the Group's sales revenues were 8.0% higher than in 2022. It should be noted that sales increase was mainly due to the scale of activities and geographical development of distribution chain.

In 2024 the Group opened 32 new branches, i.e. as at 31 December 2024 the total number of branches was 664 (2023: 632 branches), including 246 Polish and 418 foreign branches respectively, at the end of 2023 there were 246 Polish and 386 foreign branches.

Gross profit on sales revenue went up by 8.3% in comparison to 2023.

(in thousand PLN)

In the Management Board's opinion, the 3% increase in the 2024 **net profit** compared with 2023, and an 8.0% **increase in the sales revenues**, resulted, among other things, from:

- continuous demand for second-hand cars. Import of second-hand cars in Poland was 5.4% higher compared to 2023 (IBRM Samar data).
- the increasing average age of the vehicles in Central and Eastern Europe, which translates into increased scope and frequency of repairs,
- competitive advantage on the market of automotive spare parts resulting from ensuring continuity of supply to customers through an extensive subsidiary network, and the widest product range resulting from a significant number of suppliers also providing the opportunity to diversify risk in case of unavailability of goods from manufacturers,
- foreign exchange losses related to settlements with foreign distribution companies,
- pressure on margins due to the strengthening of the local currency against the euro and market pressures occurring in certain countries,
- higher wage costs associated with the need to cope with wage pressures,
- stock level in Capital Group of the Company as at 31 December 2024 amounted to PLN 4,992 million and was higher by 12.4% in comparison to the level as at the end of 2023.
- the debt level ratio of the Company's Group as at 31 December 2024, defined as net debt to EBITDA, reached 2.18, which is 20.4% higher than the value of this ratio as at the end of 2023.

(in thousand PLN)

2.2. SELECTED DATA FROM THE CONSOLIDATED STATEMENT OF THE GROUP'S FINANCIAL SITUATION

The financial liquidity of the Company and its related entities remains at a proper level, and the value of the current assets is higher than that of the short-term liabilities.

(in thousand PLN)

	<u>31/12/2024</u>	<u>31/12/2023</u>	<u>change</u>
ASSETS			
Non-current assets			
Tangible fixed assets	1,097,868	780,433	40.7%
Right-of-use assets	604,620	405,287	49.2%
Investment property	3,181	3,181	0.0%
Intangible assets	203,262	198,012	2.7%
Investments in associates	4,538	6,416	-29.3%
Other long-term receivables	42,510	33,257	27.8%
Financial sub-lease receivables	255,298	269,872	-5.4%
Deferred tax assets	8,300	23,781	-65.1%
	<u>2,219,577</u>	<u>1,720,239</u>	29.0%
Current assets			
Inventory	4,992,352	4,440,904	12.4%
Trade and other receivables	2,998,192	2,654,489	12.9%
Financial sub-lease receivables	92,853	87,600	6.0%
Cash	462,919	367,904	25.8%
	<u>8,546,316</u>	<u>7,550,897</u>	13.2%
TOTAL ASSETS	10,765,893	9,271,136	16.1%
(in thousand PLN)	<u>31/12/2024</u>	<u>31/12/2023</u>	<u>change</u>
LIABILITIES			
Share capital	28,336	28,336	0.0%
Share premium account	259,530	259,530	0.0%
Other supplementary capital	3,111,615	2,707,304	14.9%
Foreign exchange gains /losses in subsidiaries	(100,895)	(63,658)	58.5%
Retained earnings	1,813,066	1,505,956	20.4%
Equity	<u>5,111,652</u>	<u>4,437,468</u>	15.2%
Long-term liabilities			
Liabilities due to credits, loans	1,047,010	929,207	12.7%
Other lease liabilities	528,887	362,079	46.1%
Liabilities due to lease transformed into sub-lease	255,298	269,872	-5.4%
Other long-term liabilities	4,533	7,140	-36.5%
Deferred income tax provision	125,841	121,467	3.6%
	<u>1,961,569</u>	<u>1,689,765</u>	16.1%
Short-term liabilities			
Trade and other liabilities	1,701,604	1,525,271	11.6%
Trade and other liabilities - passed for factoring	136,431	175,181	-22.1%
Liabilities due to credits, loans	1,538,891	1,190,424	29.3%
Other lease liabilities	109,476	93,439	17.2%
Liabilities due to lease transformed into sub-lease	92,853	87,600	6.0%
Employee benefits	75,644	52,607	43.8%
Income tax liabilities	37,773	19,381	94.9%
	<u>3,692,672</u>	<u>3,143,903</u>	17.5%
Total liabilities	<u>5,654,241</u>	<u>4,833,668</u>	17.0%
TOTAL LIABILITIES	<u>10,765,893</u>	<u>9,271,136</u>	16.1%

Source: Consolidated Financial Statements of the Company for the year ended on 31 December 2024.

(in thousand PLN)

2.3. SELECTED FINANCIAL DATA FROM THE REPORT ON TOTAL INCOME OF THE COMPANY

(in thousand PLN)	for the period of 12 months ended on		
	31/12/2024	31/12/2023	change
Revenues from the sale of products, goods and materials	12,606,681	11,805,991	6.8%
Cost of sales	(9,521,167)	(9,013,114)	5.6%
Gross profit on sales	3,085,514	2,792,877	10.5%
Other operating income	9,620	17,090	(43.7%)
Selling, general and administrative expenses	(1,660,106)	(1,451,531)	14.4%
Costs of distribution service	(841,426)	(793,103)	6.1%
License fees	(51,326)	(49,273)	4.2%
Other operating expenses	(98,911)	(94,065)	5.2%
Operating results	443,365	421,995	5.1%
Financial revenues	21,035	11,439	83.9%
Dividends received	129,349	143,582	(9.9%)
Exchange differences	3,186	5,856	(45.6%)
Financial expenses	(137,724)	(148,879)	(7.5%)
Profit before tax	459,211	433,993	5.8%
Income tax	(56,476)	(72,752)	(22.4%)
Net profit	402,735	361,241	11.5%
OTHER COMPREHENSIVE INCOME			
Total other comprehensive income, net	-	-	-
COMPREHENSIVE INCOME	402,735	361,241	11.5%
Earnings per share (PLN)			
- basic and diluted	28.43	25.50	11.5%
Weighted average number of shares in the year	14,168,100	14,168,100	-

Source: Separate Financial Statements of the Company for the year ended on 31 December 2024.

(in thousand PLN)

2.4. SELECTED FINANCIAL DATA FROM THE SEPARATE REPORT ON FINANCIAL STANDING OF THE COMPANY

(in thousand PLN)

	<u>31/12/2024</u>	<u>31/12/2023</u>	<u>change</u>
ASSETS			
Non-current assets			
Tangible fixed assets	108,652	128,344	(15.3%)
Right-of-use assets	42,945	28,096	52.9%
Intangible assets	194,674	190,766	2.0%
Investments in subordinated entities	532,007	516,050	3.1%
Other long-term receivables	32,040	26,117	22.7%
Sub-lease receivables	87,458	90,199	(3.0%)
	997,776	979,572	1.9%
Current assets			
Inventory	2,766,147	2,475,284	11.8%
Trade and other receivables	3,948,209	3,484,936	13.3%
Sub-lease receivables	46,123	46,984	(1.8%)
Income tax receivables	32,586	41,882	(22.2%)
Cash	41,832	51,932	(19.4%)
	6,834,897	6,101,018	12.0%
TOTAL ASSETS	7,832,673	7,080,590	10.6%
LIABILITIES			
Equity			
Share capital	28,336	28,336	0.0%
Share premium account	259,530	259,530	0.0%
Supplementary capital	2,822,016	2,470,834	14.2%
Other reserve capitals	5,935	5,935	0.0%
Retained earnings	403,059	361,565	11.5%
	3,518,876	3,126,200	12.6%
Long-term liabilities			
Liabilities due to credits, loans	829,054	829,104	0.0%
Other lease liabilities	35,398	34,467	2.7%
Liabilities due to lease transformed into sub-lease	87,458	90,199	(3.0%)
Deferred income tax provision	107,682	99,226	8.5%
	1,059,592	1,052,996	0.6%
Short-term liabilities			
Trade and other liabilities	1,819,233	1,683,058	8.1%
Liabilities on credits, loans, debt securities	1,331,737	1,133,294	17.5%
Other lease liabilities	11,478	12,394	(7.4%)
Liabilities due to lease transformed into sub-lease	46,123	46,984	(1.8%)
Employee benefits	45,634	25,664	77.8%
	3,254,205	2,901,394	12.2%
TOTAL LIABILITIES	7,832,673	7,080,590	10.6%

Source: Separate Financial Statements of the Company for the year ended on 31 December 2024.

(in thousand PLN)

Structure of Inter Cars Capital Group results from strategy of geographical expansion in distribution of automotive spare parts (Inter Cars Ukraine LLC, Inter Cars Česká republika s.r.o., Inter Cars Slovenska Republika s.r.o., Inter Cars Lietuva UAB, Inter Cars d.o.o. (Croatia), Inter Cars Hungária Kft., Inter Cars Belgium NV, Inter Cars Italia S.r.l., Inter Cars Romania s.r.l., Inter Cars Latvija SIA, Inter Cars Bulgaria Ltd., Cleverlog-Autoteile GmbH, Inter Cars Eesti OÜ, Inter Cars INT d.o.o. (Slovenia), Inter Cars Piese Auto s.r.l., Inter Cars d.o.o. (Bosnia and Herzegovina), Inter Cars GREECE, Inter Cars United Kingdom - automotive technology Ltd, Inter Cars d.o.o. (Serbia), OOO Inter Cars Automobilna Technika, Inter Cars Norge AS, Inter Cars Deutschland GmbH), Inter Cars Albania SHA, and development of supporting projects for core business (Lauber Sp. z o.o., Feber Sp. z o.o., Q-Service Sp. z o.o., IC Development & Finance Sp. z o.o., Armatus Sp. z o.o., Inter Cars Cyprus Ltd, Inter Cars Marketing Services Sp. z o.o., ILS Sp. z o.o., ILS Adriatic Logistica d.o.o., ILS Balkan srl., Inter Cars Malta Holding, Inter Cars Malta Ltd, Q-Service Truck Sp. z o.o., Aurelia Auto d.o.o., Inter Cars Fleet Services Sp. z o.o. TK Dystrybucja Sp. z o.o, WZ Dystrybucja Sp. z o.o.). In total, the distribution of goods operates on the basis of warehouse space of 475 thousand m² covering 4 main logistics centres in Poland, including the European Logistics and Development Centre in Zakroczym, the logistics centre in Czosnow, Komorniki and Sosnowiec, and 22 warehouses in Europe (outside Poland), including in Croatia, Romania, Bulgaria, Hungary and the Czech Republic, as well as a network of 246 own branches in Poland and 418 branches outside Poland in Ukraine, the Czech Republic, Slovakia, Lithuania, Hungary, Croatia, Italy, Romania, Latvia, Bulgaria, Estonia, Slovenia, Moldova, Bosnia and Herzegovina, Greece and Serbia. The Central Warehouse has all product groups available, while the affiliate branches store only fast-moving products, making sure that their product range, its quality and accessibility matches local requirements.

3. BASIC GOODS AND TARGET MARKETS OF THE INTER CARS GROUP

The sales revenue in 2024 was primarily driven by:

- (a) the high age of imported vehicles - at an average of 12.44 years in 2024, which translates primarily into an increase in the useful life of cars and an increase in the scope of necessary repairs,
- (b) Inter Cars Group maintaining higher sales dynamics than some of its competitors, which translates into sales growth above the market situation. This was possible thanks to the use of the Group's strong competitive advantage and strong foundations, particularly in terms of:
 - the widest product range and the resulting significant number of suppliers also providing the opportunity to diversify risk in the event of unavailability of goods from manufacturers. In many product groups we have availability of complementary products, i.e. for the same vehicle and similar quality, but from different suppliers. If one supplier does not have products for a particular model, other suppliers have adequate availability. The garage can carry out the repair, but does not necessarily have to use parts from the preferred manufacturer,
 - the efficiency of the logistics and distribution network consisting of 664 branches, of which 32 new foreign branches were opened in 2024, which translated into the ability to meet a significant increase in demand in a short period of time,
- (c) inventories management system optimisation continuation, covering both stock level optimisation for individual product groups, and supply chain optimisation, which primarily involved increased role of regional distribution centres and sourcing larger supplies directly from manufacturers,
- (d) dynamic development of export sales to Western European markets,
- (e) dynamic development of automotive parts sales via the Motointegrator.de platform on the German market.

On the German market, the Cleverlog-Autoteile GmbH subsidiary continues the dynamic development of its e-commerce business. Online shops under the Motointegrator domain, offering a wide range of spare parts and accessories, are currently operating also in the French, Austrian, Dutch, Belgian, Spanish, Italian, Portuguese, Finnish and Swedish markets. In addition, there are B2B sales platforms in Germany and France. There are plans to launch a Belgian shop in French language and to further expand the business by entering new markets such as Switzerland and Denmark.

Each e-shop had a detailed audit and received the Trusted Shops certification, which confirms the continuation of the strategy of caring about the quality at every stage of service and customer satisfaction.

(in thousand PLN)

In 2024, Motointegrator shops won a number of prestigious awards. The German shop was awarded the title of "TOP SHOP" by COMPUTER BILD for the seventh consecutive time for, among other things, excellent service and fast order processing. It was also awarded the title of "Best Online Retailer 2024" by Handelsblatt, standing out for its high rating of the shopping experience. In addition, BILD magazine honoured it as "King of Customers in Germany" for the high level of benefits offered to them, and FOCUS MONEY awarded it the "High Recommendation" award for the frequency with which it was recommended by its customers. In turn, the Austrian shop received its first award: "Top Rated Company 2024" from Trusted Shops, thus ranking among the best rated companies in Austria.

Basic commodities and products

Inter Cars offers the widest range of automotive spare parts in Central and Eastern Europe. The Group's offering includes both branded goods that are identical in terms of quality with those used in the factory assembly of vehicles, as well as significantly cheaper but equally good-quality products sourced from manufacturers selling their goods exclusively to the aftermarket. The product range comprises spare parts for majority of vehicles sold in Poland and Europe and manufactured in Western Europe, Japan and South Korea, as well as for selected makes manufactured in the USA.

The Group has been systematically expanding the assortment of offered goods. It is done by extending the offering in particular segments, by adding new categories to the existing segments, and by entering new markets.

The Inter Cars Group includes **Feber Sp. z o.o.**, a manufacturer of trailers and semi-trailers currently focusing on the quality of its products, which it locates in markets such as Scandinavia, Germany and Belgium. Its business model focuses on a customised offer. In addition, Feber runs a car rental and specializes in post-collision repairs.

Another company belonging to the Inter Cars Group is **Lauber Sp. z o.o.**, which specialises in remanufacturing car parts, allowing customers to avoid the costly purchase of new parts and scrapping the old ones. The company uses modern technologies, thanks to which the quality of remanufactured parts does not differ from that of brand-new parts. Remanufacturing is an activity which makes it possible to limit the negative impact of the automotive market on the environment by re-using parts already in circulation and the raw materials from which they were made. Remanufacturing of parts also reduces greenhouse gas emissions compared to the production of new products. The process is thus part of a closed-circuit economy.

The Group also includes **Inter Cars Fleet Services Sp. z o.o.**, whose main activity is the comprehensive service of company car fleets, regardless of their size and industry, in the field of management, servicing and repair of all the most popular OE makes. The company cooperates with a network of more than 1,000 garages across Poland and is the only company on the Polish market to service all types of vehicles - cars, vans, trucks and specialised vehicles.

Another company in the Inter Cars Group is **ILS Sp. z o.o.**, which is responsible for providing comprehensive logistics services related to warehousing and goods handling for both Inter Cars Group companies and external ones. Logistics centres of ILS Sp. z o.o. include 12 warehouses located in Poland and 22 warehouses in Europe (outside of Poland), including in Croatia, Latvia, Romania, Lithuania, the Czech Republic, Hungary, Bulgaria or Greece. All ILS logistics facilities are modern "A" class warehouses. Among them are facilities that are among the most modern of their kind in Europe. The four main Logistics Centres offer the most available space: The European Logistics and Development Centre in Zakroczym, the Logistics Centre in Czosnów, the Western Logistics Centre in Komorniki and the Southern Logistics Centre in Sosnowiec.

Supplementation of Group's activity is sale of commercial vehicles and trucks made by Isuzu, ran by the first in Poland authorized dealer of the company – **Q-Service Truck Sp. z o.o.** The company has also been responsible for the distribution and development of the Ford Trucks dealership chain in Poland. Moreover, the company is also an authorized representative of ZF Friedrichshafen AG regarding the sale and servicing of manual transmissions, automated and automatic transmissions for trucks.. In 2022, we expanded our business with further ZF Friedrichshafen AG licences for AVE electric axles for city buses and ZF ECOLIFE automatic transmissions. In 2024, 28,084 trucks with a GVM of more than 3.5t were be registered, down by 20.9% compared to 2023. There were 267 Ford Trucks vehicles registered in Poland in 2024. The sales dynamics in 2024 was determined by the difficult situation on the transport market in Poland and Europe. Reduced demand for transport services has resulted in lower demand for trucks. Ford Trucks in Poland expanded its offer, in addition to the F-MAX tractor units, we delivered specialised chassis to customers.

(in thousand PLN)

Q-Service Truck also operates as part of Inter Cars Group's pan-European service network, providing high quality services, access to spare parts and dedicated technical support for trucks, buses and specialised machinery. The network offers comprehensive maintenance services that include mechanical and electrical repairs, servicing and maintenance, after-crash repairs, tyre service, air conditioning service, computer diagnostics, mobile service and service and fleet programmes, i.e. dedicated solutions for transport companies, including fleet management.

In 2024, the Q-Service Truck network celebrated its 25th anniversary. To mark the occasion, an International Conference was held on 23-24.05.2024 in Lodz, Poland, attended by nearly 500 guests from all over Europe, including representatives from Castrol, Prometeon, ZF, Bosch, Mann Filter, Knorr-Bremse, NRF and Febi, who discussed the range of products on offer for the truck market and the benefits for garages affiliated to service networks.

The Group also includes **Armatus Sp. z o.o.**, which in May 2023 concluded a partnership agreement with representatives of the Chinese manufacturer BYD Trucks under which, a subsidiary of the Inter Cars Capital Group, became a distributor of BYD electric trucks and vans in Poland. Representatives of the companies unanimously stated that the milestone of the fruitful cooperation is to build a stable and professional dealer network for the service and sale of BYD vehicles. In line with the chosen growth strategy, further dealer agreements have been concluded in Poland in 2024, so that the number of service and sales outlets is consistently increasing to ensure a convenient distance to authorised service for current and future vehicle users.

(in thousand PLN)

The table below sets forth Inter Cars Capital Group's sales revenue **broken down by operational segments**.

	Sale of spare parts		Sale of spare parts Ukraine		Other		Eliminations		Total	
	01/01/2024 - 31/12/2024	01/01/2023 - 31/12/2023	01/01/2024 - 31/12/2024	01/01/2023 - 31/12/2023	01/01/2024 - 31/12/2024	01/01/2023 - 31/12/2023	01/01/2024 - 31/12/2024	01/01/2023 - 31/12/2023	01/01/2024 - 31/12/2024	01/01/2023 - 31/12/2023
Revenues from external customers	18,584,750	16,996,793	645,238	614,485	243,090	419,031	-	-	19,473,078	18,030,309
Revenues between segments	46,974	22,333	-	-	1,194,696	1,017,497	(1,241,670)	(1,039,830)	-	-
Interest revenue	34,452	23,829	215	-	1,837	-	(14,771)	(6,222)	21,733	17,607
Interest costs	(163,937)	(173,440)	(923)	-	(19,357)	(2,987)	14,771	6,237	(169,445)	(170,190)
Amortization and depreciation	(147,924)	(153,295)	(7,128)	-	(51,773)	(40,575)	(11,428)	(11,437)	(218,253)	(182,433)
Profit before tax	938,954	845,534	31,837	37,242	32,756	85,260	(109,451)	(98,854)	894,096	869,182
Shares in results of affiliates – using equity method	-	-	-	-	-	-	-	-	-	-
Total assets	13,904,445	12,327,264	157,310	139,554	1,205,145	737,587	(4,501,008)	(3,933,269)	10,765,893	9,271,136
Capital expenditure (for purchasing tangible assets, intangible assets and investment property)	(132,005)	(102,509)	(3,991)	(5,331)	(329,177)	(257,553)	-	-	(465,173)	(365,393)
Total liabilities	8,617,859	7,430,347	73,307	72,534	646,325	343,147	(3,683,250)	(3,012,360)	5,654,241	4,833,668

Subsidiaries, like the parent company, offer both parts for passenger cars and trucks, with addition that the total structure of the Group's sales is dominated by parts for passenger cars.

Over 46% of the sales revenues of the Group in 2024 came from the **sales in Poland**.

(in thousand PLN)

Inter Cars Group's **primary sale market** is Polish market. In 2024, the fastest developing countries were Serbia, Greece, Bulgaria, Germany and Bosnia and Herzegovina. Germany was in this group mainly due to the decline in new car purchases and the need to provide repairs for existing vehicles.

The Group owns warehouses in Latvia, delivering commodity mainly to Estonia and neighbouring countries, in Romania, delivering commodity to Bulgaria, Republic of Moldova and in Bulgaria, delivering commodity to Serbia and Greece. Whilst the regional warehouse in Croatia supplies goods to Italy, Republic of Slovenia and Bosnia. Logistics operator of the warehouses in Poland, Latvia, Romania and Croatia is ILS sp. z o.o. Company, which is a part of Inter Cars Group.

Romania is the second biggest market of the Group, after Poland. With 74 branches, it supplies over 71,000 customers and over 10,000 garages, making it the third largest in the national market.

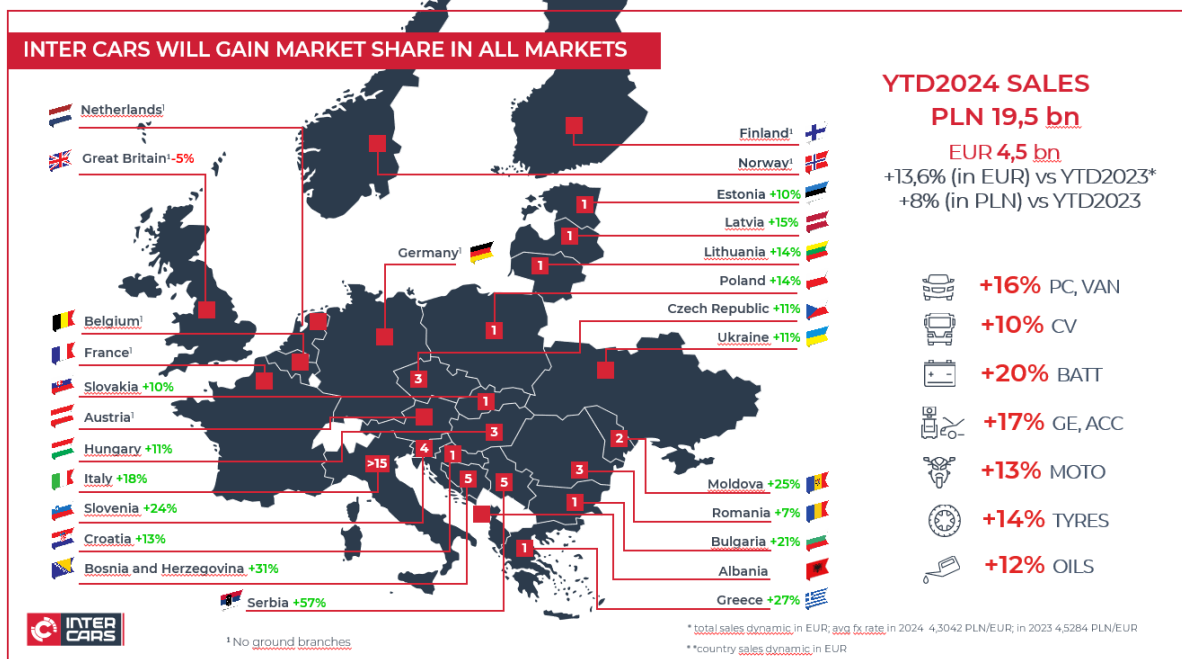
Basic structure of distribution markets

Sales revenues in a given country:

	2024	share	2023	share
Poland	8,861,080	46.43%	8,176,044	46.78%
Romania	1,476,966	7.74%	1,457,866	8.34%
Bulgaria	1,323,567	6.93%	1,154,486	6.61%
Latvia	749,011	3.92%	683,920	3.91%
Lithuania	723,189	3.79%	664,437	3.80%
Hungary	716,595	3.75%	689,513	3.94%
Czech	691,066	3.62%	655,614	3.75%
Greece	689,902	3.61%	571,408	3.27%
Ukraine	645,238	3.38%	613,371	3.51%
Croatia	631,998	3.31%	586,932	3.36%
Slovakia	594,831	3.12%	567,571	3.25%
Germany	489,375	2.56%	410,527	2.35%
Serbia	299,853	1.57%	201,480	1.15%
Estonia	293,268	1.54%	280,873	1.61%
Moldova	242,480	1.27%	204,368	1.17%
Slovenia	239,981	1.26%	204,228	1.17%
Bosnia and Herzegovina	208,194	1.09%	168,011	0.96%
Italy	154,261	0.81%	136,800	0.78%
Great Britain	37,344	0.20%	40,793	0.23%
Belgium	18,370	0.10%	140	0.00%
Norway	0	0.00%	10,433	0.06%
Total	19,086,569	100.00%	17,478,815	100.00%

Revenue of distribution companies by location (excluding revenue of supporting companies and some distribution companies which share is minor).

(in thousand PLN)



*Year-on-year sales dynamics calculated on the basis of data presented in EUR

The tables below set forth Inter Cars Group's sales revenue **broken down by basic categories**.

	2024	Share	2023	Share
Spare parts for passenger cars	10,618,971	54.53%	9,674,148	53.65%
Spare parts for commercial vehicle and buses	3,148,588	16.17%	2,988,882	16.58%
tyres, batteries and lubricants	4,326,700	22.22%	4,055,132	22.49%
garage equipment	688,709	3.54%	613,292	3.40%
other sales and services	690,110	3.54%	698,855	3.88%
	19,473,078	100.00%	18,030,309	100.00%

The largest increase in sales in the Group's core range was recorded in the passenger car parts and garage equipment segments, mainly due to an increase in the range of products offered and entry into new markets.

Since the launch of the Ford Trucks brand on the Polish market in 2019, Q Service Truck Sp. z o.o. has been systematically building a dealer network based on the Q-Service Truck chain in Poland. Customers who buy new vehicles are provided with service which also influences the decision on subsequent purchases.

The partnership between BYD Truck and Inter Cars was signed on 26 May 2023 during the EV Experience, the largest electromobility show in Poland. Since then, Armatius Sp. z o.o. has sold 79 BYD zero-emission vans and trucks. The group plans to increase sales by expanding its dealer network.

(in thousand PLN)

Market environment

Inter Cars operates in the segment of distribution of new spare parts, supplied mainly to garages independent of vehicle manufacturers.

Key drivers of the market development

The aftermarket for spare parts is a natural spin-off of the automotive market, as vehicle repairs and replacements of consumable parts create continuous demand for spare parts.

One of the factors influencing the **situation of the market** is the **number of cars** registered in Poland and in other European countries and driving on the roads. In the whole year 2024, in the countries in which the Group has its operations, the number of newly registered cars increased slightly by 0.8% compared to 2023 (according to the ACEA report). Reduced demand in 2024 can be attributed to rising borrowing and leasing costs and the economic slowdown in Europe, which has dampened consumer moods and reduced their ability to purchase new cars. An additional deterrent for buyers was the high price of electric models and the withdrawal of subsidies in many European countries.

More and more factors decide about the competitive position of distributors. These factors include in particular the traditional aspects of customer communication (location of points of sale) and availability (and, by extension, order lead times), but also the development of quality aspects. In practice, the improvement in customer service quality consists in the development of the product range by adding new product lines and providing "one-stop shops" for the customer, as well as the provision of on-line access to product information, starting from product availability to the technical specifications regarding product assembly. From the perspective of distributors this means that on the one hand they will benefit from higher customer loyalty and volume of purchases; on the other they face a great challenge, as they must develop the logistics base and enter new market segments, often characterised by a different "sales philosophy" and different, highly specialised competition.

Inter Cars Group realizes such strategy, which is called „One Stop Shop – everything under one roof”. By this, we understand that Inter Cars, being a distributor with the widest range of spare parts for passenger cars, provides its customers (servicing garages) added values in the form of marketing supports, investment support, trainings and redirects customers to garages using its fleet programme and Motointegrator.pl platform.

Number and structure of vehicles used

Pursuant to Article 17 of the Act of 7 July 2023 amending certain laws to mitigate some of the effects of identity theft, as of 10.06.2024, the Central Vehicle and Driver Register automatically deregistered all vehicles meeting a total of the following three conditions:

- the first registration of the vehicle was before 14.03.2005,
- the vehicle has not had a valid periodic technical inspection for at least 10 years prior to the entry into force of the new regulations,
- the holder of the vehicle did not conclude a compulsory contract of third-party motor vehicle liability insurance (third party liability insurance) for at least 10 years prior to the entry into force of the new regulations.

The above change resulted in the removal of more than 7.2 million vehicles from the CEPiK's database of registered vehicles, which reduced the average age of cars in Poland. Once the archive vehicles are removed, the number of registered passenger cars at the end of 2023 decreases from 27.347 million to 20.102 million units.

Such a significant change has also affected statistics kept by various automotive-related institutions including The European Automobile Manufacturers' Association (ACEA), S&P Global Mobility, the Automotive Market Research Institute SAMAR and the Polish Automotive Industry Association.

According to the ACEA association, new passenger car sales in the European Union in 2024 compared to 2023 increased slightly by 0.8% to reach a volume of 10.6 million units. Spain remained the most important automotive market in Europe, recording growth of 7.1%, in contrast to significant declines in existing sales leaders such as France (-3.2%), Germany (-1%) and Italy (-0.5%).

According to figures published by ACEA, the passenger car fleet in Europe was estimated at almost 249 million vehicles in 2023, an increase of 1.4 per cent on the previous year.

The average age of passenger cars in the European Union continues to rise and is estimated at 12.5 years. In Poland, after updating the registers, the average age is estimated to be around 15.1 years. The highest average age of cars in the European Union was recorded in Greece at 17.5 years, followed by the Czech Republic (16.2 years) and Romania (15.4).

(in thousand PLN)

According to data from the end of November 2024, there were a total of 78,142 fully electric - zero-emission passenger and commercial vehicles (BEV, battery electric vehicles) registered in Poland. For the 11 months of last year, their number increased by 21,665 units. There were 136,404 electric passenger cars, including 70,342 all-electric vehicles (BEVs) and 66,062 plug-in hybrid electric vehicles (PHEVs), according to the Electromobility Counter, launched by PZPM and PSPA.

As the number of electrically powered vehicles increases, the charging infrastructure is also developing. At the end of November 2024, there were 8,331 publicly accessible electric vehicle charging points in Poland. 30% of them were fast direct current (DC) charging stations and 70% were slow alternating current (AC) chargers with a power of less than or equal to 22 kW (Electromobility Counter).

The research from the European Automobile Manufacturers Association ACEA shows that the difference in electric vehicle sales in the EU is clearly related to the size of GDP per capita: countries with lower incomes are lagging behind. In 2024, electric vehicles and plug-in hybrids accounted for 13.6% of all new cars sold in the EU. However, 10 Member States still had a market share of less than 6%. This statistic clearly shows that affordability remains a major issue in the uptake of electric vehicles. Demand for electric cars in the European Union in 2024 was strongly influenced by government policy, the availability of charging infrastructure and vehicle prices. Countries offering financial support and investing in infrastructure development have seen an increase in interest in electromobility, while in countries reducing such support, demand has decreased.

Supply sources

The Group's offer includes goods from a few hundred suppliers. These goods come from all over the world, mostly, however from the vendors from the EU and Asia. The major category of suppliers is international concerns for which the Company is one of the largest and most important customers in Central and Eastern Europe. Given the significant diversification of the supply sources, the Group is not dependent on any single supplier or a small number of suppliers – no supplier's share in the total sales revenue exceeds 10%

4. AGREEMENTS SIGNIFICANT AND MATERIAL TO THE COMPANY'S BUSINESS AND INSURANCE AGREEMENTS

Significant agreements

Inter Cars has formal written agreements governing business relations with only some of the Group's suppliers. Those are in particular agreements which stipulate terms and conditions for granting additional discounts by the Group's suppliers. The agreements do not oblige the Company to generate turnover of a specified value.

Selected substantial contracts

Inter Cars is a party to agreements material to the implementation of the Group's development strategy. They include in particular agreements with the suppliers of spare parts which specify terms and conditions for granting discounts.

Generally, the agreements are entered into for one year. As at the reporting date, the following agreements were in force:

Party	Date of agreement
ATR International AG	03/06/2005 - for an indefinite period
ROBERT BOSCH SP. Z O.O.	18/09/2024 - for an indefinite period
SCHAEFFLER POLSKA SP. Z O.O.	03/09/2024
ZF AUTOMOTIVE SYSTEMS POLAND SP. Z O.O.	14/11/2024
ZF FRIEDRICHSHAFEN AG ZF AFTERMARKET	14/11/2024
CONTINENTAL AFTERMARKET & SERVICES GMBH	07/08/2024
CASTROL CEE SP. Z O.O.	08/06/2022 valid until 2026 Plus, Annual Market-Business Plan dated 05.06.2024, as amended.
VALEO SERVICE EASTERN EUROPE SP. Z O.O.	25/11/2021 - for an indefinite period, rebate of 20/12/2024
GOODYEAR POLSKA SP. Z O.O.	15/01/2013 - for an indefinite period
MANN+HUMMEL FT POLAND SP. Z O.O. SP. K.	01/01/2017 - for an indefinite period, ANNEX of 16/12/2024

(in thousand PLN)

The material agreements for spare parts supplies concluded for an indefinite term include:

No.	Date of agreement	Party
1	04/04/2019- for an unidentified period of time	Facet SRL
2	11/12/2019 - for an indefinite period, ANNEX of 04/04/2024	Olsa Parts SRL
3	02/01/2019, further annex of 27/05/2024	SENCOM GMBH
4	08/10/2019, further annex of 19/03/2024	AIR TOP ITALIA SRL
5	02/01/2019, further annex of 16/05/2024	KAWE B.V.
6	05/11/2019- for an unidentified period of time	MOTIP

Insurance agreements

Date of agreement	Party	Subject matter of the Contract	Material terms and conditions	Term
01/07/2024	Warta	Insurance of the Company's assets and working capital	„All in” policy: including domestic entities; all risk property insurance, electronic equipment insurance, insurance of goods in transportation (Cargo)	01/07/2024 - 30/06/2025
01/07/2024	Warta+Chubb +Colonnade+ Generali	Third party insurance of the Board of Management	Third party insurance of the Board D&O	01/07/2024- 30/06/2025
01/07/2024	Warta	Third Party Insurance on business activity	Civil liability of the Company.	01/07/2024- 30/06/2025

Foreign subsidiaries have their own insurance policies from their local markets.

Shareholder agreement

The Group is not aware of any shareholder agreements.

(in thousand PLN)

5. ORGANISATIONAL OR CAPITAL LINKS BETWEEN THE ISSUER AND OTHER ENTITIES; INFORMATION ON THE ISSUER'S KEY DOMESTIC AND FOREIGN INVESTMENTS (SECURITIES, FINANCIAL INSTRUMENTS, INTANGIBLE ASSETS AND REAL ESTATE), INCLUDING EQUITY INVESTMENTS OUTSIDE THE GROUP, AS WELL AS A DESCRIPTION OF METHODS OF INVESTMENTS FINANCING WITHIN THE GROUP AND ITS ENTITIES.

Inter Cars S.A. is the parent company of the capital group comprised of the following companies, which are a subject of consolidation:

Name of entity	Registered seat	Degree of affiliation and percentage share of Inter Cars S.A. in the capital
Inter Cars Ukraine LLC	Khmelnytsky, Ukraine	Direct - 100%
Q-service Sp. z o.o.	Częstków Mazowiecki, Poland	Direct - 100%
Lauber Sp. z o.o.	Słupsk, Poland	Direct - 100%
Inter Cars Česká republika s.r.o.	Prague, Czech Republic	Direct - 100%
Feber Sp. z o.o.	Warsaw, Poland	Direct - 100%
IC Development & Finance Sp. z o.o	Warsaw, Poland	Direct - 100%
Armatus sp. z o.o.	Warsaw, Poland	Direct - 100%
Inter Cars Slovenská republika s.r.o.	Bratislava, Slovakia	Direct - 100%
Inter Cars Lietuva UAB	Vilnius, Lithuania	Direct - 100%
Inter Cars Belgium NV (formerly JC Auto S.A.)	Hasslt, Belgium	Direct - 100%
Inter Cars Hungária Kft	Budapest, Hungary	Direct - 100%
Inter Cars Italia s.r.l	Pero, Italy	Direct - 100%
Inter Cars d.o.o.	Zagreb, Croatia	Direct - 100%
Inter Cars Romania s.r.l.	Cluj-Napoca, Romania	Direct - 100%
Inter Cars Cyprus Ltd.	Nikosia, Cyprus	Direct - 100%
Inter Cars Latvija SIA	Mārupes, Latvia	Direct - 100%
Cleverlog-Autoteile GmbH	Berlin, Germany	Direct - 100%
Inter Cars Bulgaria Ltd.	Sofia, Bulgaria	Direct - 100%
Inter Cars Marketing Services Sp. z o.o.	Częstków Mazowiecki, Poland	Direct - 100%
ILS Sp. z o.o.	Zakroczym, Poland	Direct - 100%
Inter Cars Malta Holding Ltd	Birkirkara, Malta	Direct - 100%
Q-service Truck Sp. z o.o.	Warsaw, Poland	Direct - 100%
Inter Cars INT d.o.o.	Ljubljana, Republic of Slovenia	Direct - 100%
Inter Cars Eesti OÜ	Tallinn, Estonia	Direct - 100%
Inter Cars Piese Auto s.r.l.	Kishinev, Moldova	Direct - 100%
Inter Cars Greece Ltd.	Ilioupoli, Greece	Direct - 100%
Inter Cars d.o.o.	Sarajevo, Bosnia and Herzegovina	Direct - 100%

(in thousand PLN)

Name of entity	Registered seat	Degree of affiliation and percentage share of Inter Cars S.A. in the capital
Inter Cars United Kingdom - automotive technology Ltd.	Tipton, Great Britain	Direct - 100%
Inter Cars d.o.o.	Belgrade-Rakovica, Serbia	Direct - 100%
Inter Cars Fleet Services Sp. z o.o.	Warsaw, Poland	Direct - 100%
OOO Inter Cars Automobilna Technika	Mogilev, Belarus	Direct - 100%
Inter Cars Norge A.S.	Oslo, Norway	Direct - 100%
Inter Cars Deutschland GmbH	Berlin, Germany	Direct - 100%
Inter Cars Albania SHA	Tirana, Albania	Direct - 100%
TK Dystrybucja Sp. z o.o.	Warsaw, Poland	Direct - 100%
WZ Dystrybucja Sp. z o.o.	Warsaw, Poland	Direct - 100%
Inter Cars Malta Ltd	Birkirkara, Malta	Indirect 100% of shares owned by a subsidiary company Inter Cars Malta Holding Ltd.
Aurelia Auto d.o.o.	Vinkovci, Croatia	Indirect 100% of shares owned by a subsidiary company Inter Cars d.o.o. (Croatia)
ILS Balkan srl.	Bucharest, Romania	Indirect 100% of shares owned by a subsidiary company ILS Sp. z o.o.
ILS Adriatic Logistica d.o.o.	Vukovina, Croatia	Indirect 100% of shares owned by a subsidiary company ILS Sp. z o.o.
InterMeko Europe Sp. z o.o.	Warsaw, Poland	Affiliated - 50%
DANXILS Sp. z o.o.	Swobodnia, Poland	Affiliated 50% of industrial property right owned by a subsidiary company ILS Sp. z o.o.
Partslife International Kft	Dunakeszi, Hungary	Co-controlled 33,33% shares held by the parent company Inter Cars S.A.

The companies in the group are financed, among others, by the parent entity either by loans or by trade credits. Details of loans issued are presented in note no. 9 of the Report on the Operations

(in thousand PLN)

6. CHANGES IN ORGANIZATION ASSOCIATIONS AND CAPITAL ASSOCIATIONS AND THEIR RESULTS.

In the year 2024 the following organizational or capital associations were changed:

- On 11 April 2024, a new subsidiary, WZ Dystrybucja Sp. z o.o. registered in Warsaw, Poland, was established, the operations of which were suspended as of 31 December 2024..
- A new subsidiary, TK Dystrybucja Sp. z o.o. registered in Warsaw, Poland, was established on 19 April 2024.
- On 30 October 2024. shares in the subsidiary ILS Adriatic Logistika d.o.o. were transferred from Inter Cars SA as a contribution to the capital increase to the subsidiary ILS Sp. z o.o.

7. INFORMATION ON MATERIAL TRANSACTIONS WITH RELATED ENTITIES CONCLUDED ON TERMS OTHER THAN AT ARM'S LENGTH, INCLUDING INFORMATION ON THEIR AMOUNTS AND NATURE.

All transactions with related entities are executed at arm's length.

8. LOAN AND BORROWINGS

Loans and borrowings as at 31/12/2024 (in thousand PLN)

Current loans and borrowings at nominal value	Contractual amount (limit)	Used	Maturity date
Syndicated credit	1,793,374	1,310,722	28/11/2025
- Inter Cars S.A.		1,238,804	
- Inter Cars Slovenská republika s.r.o.		29,439	
- Lauber Sp. z o.o.		8,609	
- ING Bank N.V (Inter Cars Romania s.r.l.)		33,870	
Raiffeisen a.s. (Inter Cars Česká republika s.r.o.)	33,980	22,875	28/02/2025
OTP Banka d.d. (ICSI - Inter Cars INT D o.o.)	38,457	36,629	26/11/2025
Intesa Sanpaolo Banka d.d. (Inter Cars d o.o. Bosnia and Herzegovina)	4,359	1,695	25/06/2025
Intesa Sanpaolo Banka d.d. (Inter Cars d o.o. Bosnia and Herzegovina)	13,076	12,154	15/12/2025
SKB Banka (ICSI - Inter Cars INT D o.o.)	5,563	2,243	01/08/2025
Piraeus Bank Ltd (Inter Cars Greece Ltd.)	12,819	13,000	indefinite
BNP Paribas Bank Polska S.A. (ILS Sp. z o.o.)	24,040	24,040	31/12/2025
Total Energies Marketing Bulgaria EOOD (Inter Cars Bulgaria Ltd.)	299	299	31/12/2025
Automotive Parts s.r.o. (Inter Cars Česká republika s.r.o.)	89	89	31/12/2025
United Bulgarian Bank AD (Inter Cars Bulgaria Ltd.)	128,190	114,523	31/10/2025
Alior Leasing Sp. z o.o. (QST Sp. z o.o.)	622	622	31/12/2025
	2,054,868	1,538,891	
Non-current loans and borrowings at nominal value	Contractual amount (limit)	Used	Maturity date
Syndicated credit	1,150,814	838,814	30/11/2027
Alior Leasing Sp. z o.o. (QST Sp. z o.o.)	1,361	1,361	22/10/2028
BNP Paribas Bank Polska S.A. (ILS Sp. z o.o.)	216,360	216,360	31/12/2031
Total Energies Marketing Bulgaria EOOD (Inter Cars Bulgaria Ltd.)	242	242	16/11/2026
Automotive Parts s.r.o. (Inter Cars Česká republika s.r.o.)	22	22	25/11/2026
	1,368,799	1,056,799	

(in thousand PLN)

Loan and borrowing agreements

Agreement no. Bank	Concluded on	Term	Limit/ loan amount	Collateral
Syndicated loan agreement Polska Kasa Opieki S.A., Caixa Bank S.A., ING Bank Śląski S.A., BNP Paribas Bank Polska S.A., Santander Bank Polska S.A, Bank Handlowy w Warszawie S.A., mBank S.A.	14/11/2016	28/11/2025 30/11/2027	1,793,373,500 PLN 1,150,814,000 PLN	List of sureties was disclosed in annex number no. 17 to consolidated financial statements
Raiffeisenbank A.S. (Inter Cars Česká republika s.r.o.)	30/09/2012	28/02/2025	200,000,000 CZK	Bank guarantee
OTP Banka d.d. (Inter Cars INT D o.o. Slovenia)	09/12/2021 02/08/2022	26/11/2025 01/08/2025	9,000,000 EUR 1,300,000 EUR	3 blank promissory notes and corporate guarantee
ING Bank N.V. (Inter Cars Romania s.r.l.)	27/08/2014	28/11/2025	70,000,000 RON	Collateral on stocks
United Bulgarian Bank AD (Inter Cars Bulgaria Ltd.)	30/11/2023	31/10/2025	30,000,000 EUR	Corporate guarantee
Intesa Sanpaolo Banka d.d. (Inter Cars d o.o. Bosnia and Herzegovina)	01/09/2022 25/01/2024	15/12/2025 25/07/2025	6,000,000 BAM 2,000,000 BAM	Corporate guarantee 6 blank promissory notes, cash at bank
Piraeus Bank Ltd (Inter Cars Greece Ltd)	28/08/2024	Unspecified	3,000,000 EUR	Assignment of claims
BNP Paribas Bank Polska S.A. (ILS Sp. z o.o.)	04/04/2024	31/12/2031	PLN 240,400,000	Corporate guarantee
Alior Leasing Sp. z o.o. (QST Sp. z o.o.)	22/10/2024	22/10/2028	473,550 EUR	Pledge on an object of investment
Total Engies Marketing Bulgaria EOOD (Inter Cars Bulgaria Ltd.)	16/11/2023	16/11/2026	541,000 BGN	Pledge on an object of investment
Automotive Parts s.r.o. (Inter Cars Česká republika s.r.o.)	19/08/2021	25/11/2026	111,000 EUR	Pledge on an object of investment

The credit facility bears interests at a variable rate, depending on WIBOR, EURIBOR, ESTR rate, increased by bank margins (determined at arm's length) for each individual interest period, agreed in credit facility agreements.

(in thousand PLN)

The following table provides information on the material terms of the syndicated loan and other loans

Source of finance	Amount of credit utilisation (thousand PLN)	Interest rate
CaixaBank S.A.	237,298	Short-term portion - WIBOR 1M + bank margin, long-term portion - WIBOR 3M + bank margin
Bank Pekao S.A.	616,432	Short-term portion - WIBOR 1M + bank margin, long-term portion - WIBOR 3M + bank margin
Bank Handlowy w Warszawie S.A.	265,854	Short-term portion - WIBOR 1M + bank margin, long-term portion - WIBOR 3M + bank margin
Santander Bank Polska S.A.	227,936	Short-term portion - WIBOR 1M + bank margin, long-term portion - WIBOR 3M + bank margin
BNP Paribas Bank Polska S.A.	195,616	Short-term portion - WIBOR 1M + bank margin, long-term portion - WIBOR 3M + bank margin
mBank S.A.	290,682	Short-term portion - WIBOR 1M + bank margin, long-term portion - WIBOR 3M + bank margin
ING Bank Śląski S.A.	252,409	Short-term portion - WIBOR 1M + bank margin, long-term portion - WIBOR 3M + bank margin
Citibank Europe PLC (Inter Cars Slovenska Republika s.r.o.)	29,439	EURIBOR 1M + bank margin
ING Bank N.V. (Inter Cars Romania s.r.l.)	33,870	ROBOR + bank margin
Raiffeisen A.S. (Inter Cars Česká republika s.r.o.)	22,875	PRIBOR/ ESTR + bank margin
SKB Banka (Inter Cars INT D o.o.-Slovenia)	38,872	Short-term part - EURIBOR 3M + bank margin
United Bulgarian Bank AD (Inter Cars Bulgaria Ltd.)	114,523	SRI + bank margin EURIBOR 1M + bank margin
Intesa Sanpaolo Banka d.d. (Inter Cars d o.o. Bosnia and Herzegovina)	13,849	Fixed bank margin
Piraeus Bank Ltd (Inter Cars Greece Ltd)	13,000	EURIBOR 3M + bank margin
BNP Paribas Bank Polska S.A. (ILS Sp. z o.o.)	240,400	WIBOR + bank margin
Alior Leasing Sp. z o.o. (QST Sp. z o.o.)	1,983	Variables
Total Enrgies Marketing Bulgaria EOOD (Inter Cars Bulgaria Ltd.)	541	Fixed margin
Automotive Parts s.r.o. (Inter Cars Česká republika s.r.o.)	111	Variables
Total	2,595,690	

The syndicated credit was used to repay debt and to finance day-to-day operations, while the loan taken out by ILS sp. z o.o. was used to finance the modernisation and automation of warehouses.

(in thousand PLN)

9. LOANS GRANTED

Loans for related entities granted by parent company

	2024	2023
As at beginning of period	116,835	45,072
Loans granted	190,827	114,624
Interest accrued	11,720	3,075
Repayments received	(198,654)	(42,428)
Interest received	(11,885)	(1,910)
Balance sheet valuation	573	(1,598)
As at end of period	<u>109,416</u>	<u>116,835</u>

Loans granted to related entities

Date concluded	Maturity date	Amount	Material terms and conditions
09-07-2007	31-12-2025	PLN 6,750,000	Agreement on a loan from Inter Cars to finance operations and business development Lauber Sp. z o.o.
04-04-2013	31-12-2025	PLN 2,000,000	Agreement on a loan from Inter Cars to finance operations and business development Lauber Sp. Z o.o.
04-10-2019	31-12-2025	200,000 EUR (PLN 858,980)	Agreement on a loan from Inter Cars to finance operations and business development Inter Cars D.O.O. Beograd
09/06/2022	31/12/2024	NOK 480,000 (PLN 213,840)	Agreement on a loan from Inter Cars to finance operations and business development INTER CARS NORGE AS
20/12/2022	31/12/2025	EUR 2,200,000 (PLN 9,807,900)	Agreement on a loan from Inter Cars to finance operations and business development Q- SERVICE TRUCK SPÓŁKA Z O. O.
27/03/2023	30/06/2025	EUR 3,350,000 (PLN 14,560,615)	Agreement on a loan from Inter Cars to finance ARMATUS Sp. z o.o.'s operations and business development
15/11/2023	31/12/2025	PLN 60,000,000	Agreement on a loan from Inter Cars to finance operations and business development ILS Sp. z o.o.
28/03/2024	31/12/2025	785,000 EUR (PLN 3,376,207)	Agreement on a loan from Inter Cars to finance operations and business development Inter Cars Albania SHA

As at 31 December 2024, the balance of loans and borrowings for related entities amounted to PLN 109,416 thousand, and the total value of loans and borrowings granted to unrelated entities was PLN 22,153 thousand.

The loans granted to related entities bear interest at a rate equal to: 1M WIBOR (in the case of PLN-denominated loans), or EURIBOR 3M (in case of EUR-denominated loans) plus a margin of 2%-5%.

Loans granted to related entities were eliminated in consolidated financial statements.

(in thousand PLN)

10. INFORMATION ON SURETIES AND GUARANTEES GRANTED AND RECEIVED IN 2024 ACCOUNTING YEAR, INCLUDING THOSE GRANTED TO AFFILIATED ENTITIES OF THE ISSUER.

As at 31 December 2024, the total value of guarantees and sureties reached PLN 772,776 thousand and comprised loan repayment guarantees only for related parties and sureties in favour of their suppliers, which means that the parent company did not provide sureties or guarantees to non-related parties.

	2024	2023
As at beginning of period	509,383	401,995
New guarantees granted and increases in existing ones	400,878	234,490
Expired	(137,495)	(127,102)
As at end of period	772,776	509,383

The Company also holds a customs guarantee issued by InterRisk with respect to payment of a bid bond and a performance bond securing proper performance of contractual obligations and removal of defects in the case of supplies of spare parts for the Polish Post and Regional Police Stations and Military Units.

Statement of guarantees and sureties given to related parties for third parties as at 31.12.2024

	2024	2023
As at beginning of period	499,378	391,425
New guarantees granted and increases in existing ones	400,878	233,724
Expired	(127,490)	(125,771)
As at end of period	772,766	499,378

11. SEASONALITY OR CYCLICAL NATURE OF OPERATIONS

The Group's comprehensive income is not highly sensitive to seasonal fluctuations. The Company's broad offering of spare parts includes some items whose sales depend on the season of the year, notably winter. These are items such as winter tyres, batteries, glow plugs, aluminium wheels, fuel filters as well as radiator and windscreen washer fluids. Goods that are most susceptible to seasonality and short-term sales, such as winter tyres, are ordered from suppliers several months before the expected sales peak (suppliers offer longer payment periods and higher discounts for off-season purchase of those items).

A recurring regularity is that the relatively lowest sales are achieved in Q1 of the year.

(in thousand PLN)

12. EVALUATION OF FINANCIAL RESOURCES MANAGEMENT

The following ratios are used for the evaluation of financial resources management:

- gross sales margin – gross profit on sales to net sales revenue
- sales margin – gross profit on sales to net sales revenue
- Operating margin – operating profit to net sales revenue (measures the Group's operating efficiency)
- EBITDA – net profit (loss) before amortisation, depreciation, net finance income (expenses), currency exchange differences and income tax
- Gross profit margin – profit before tax to net sales revenue (measures the efficiency of the Group's operations considering the profit (loss) on financial operations, and the extraordinary gains (losses))
- Net profit margin – the profit available to the Group after mandatory decrease of profit (increase of loss) to net sales revenue
- return on assets (ROA) – net profit to assets (measures general assets efficiency)
- return on equity (ROE) – net profit to equity (measures the efficiency of capital employed in the company)
- total debt ratio – total liabilities to total assets
- debt-to-equity ratio – total liabilities to equity
- *inventory cycle* – arithmetic mean of inventories at end and at beginning of period to goods for resale and materials sold, expressed in days,
- average collection period – arithmetic mean of trade receivables and other service at end and at beginning of period to net sales revenue, expressed in days
- operating cycle – the sum of inventory cycle and average collection period
- average payment period – arithmetic mean of trade payables at end and at beginning of period to cost of goods for resale and materials sold and contracted services without distribution, expressed in days
- cash conversion cycle – difference between the operating cycle and average payment period
- Current ratio – current assets to current liabilities at end of period (demonstrates the company's ability to pay short-term liabilities using current assets)
- Quick ratio – current assets less inventories to current liabilities at end of period (demonstrates the ability to quickly accumulate cash required to cover liabilities payable in a short time)
- Cash ratio – cash to current liabilities at end of period (measures the ability to cover immediately payable liabilities together with provision for deferred tax liabilities)

(in thousand PLN)

Key figures for the assessment of the **Group's** profitability are set forth in the table below.

	2024	2023
Net revenue from sales of goods and products	19,473,078	18,030,309
<i>Sales growth</i>	8%	18%
Gross profit on sales	5,696,690	5,258,644
<i>Sales margin</i>	29.25%	29.17%
Foreign exchange gains and losses presented under financing activities	3,186	(1,317)
Operating profit	1,058,722	1,035,089
<i>operating margin</i>	5.44%	5.74%
<i>EBITDA</i>	1,265,547	1,217,522
Gross profit	894,096	869,182
Net profit	721,480	700,297
<i>Net profit margin</i>	3.71%	3.88%
Balance sheet total	10,765,893	9,271,136
<i>ROA</i>	6.70%	7.55%
Non-current assets	2,219,577	1,720,239
Equity attributable to the shareholders of the parent entity	5,111,652	4,437,468
<i>ROE</i>	14.11%	15.78%

Gross sales profit was 8.3% higher than in 2023.

Operating result in 2024 was higher than in 2023 by 2.3%.

EBITDA margin in 2024 was running at the level of around 6.5% (in 2023: 6.75%).

The chart below presents the Group structure of costs **by type**

	2024	2023	change
Amortization and depreciation	206,825	182,433	13.4%
Materials and energy used	256,534	300,639	(14.7%)
Outsourced services, including:	3,377,945	3,102,174	8.9%
<i>distribution services</i>	1,855,441	1,666,041	11.4%
<i>other services</i>	1,522,504	1,436,133	6.0%
Taxes and fees	36,521	24,941	46.4%
Payroll	694,262	625,877	10.9%
Other costs by type	129,794	140,911	(7.9%)
Total costs by type	4,701,881	4,376,975	7.4%

Selling costs and administrative expenses increased by 8.4% on the 2023 figure. The costs of sale and administration in 2023 went up by 0.4% to 14.1% compared to the same period of 2023, when it was on the level of 13.7%).

Costs by type in 2024 increased by 7.4% as compared to 2023. Other services costs increased by 6.0% compared to previous year. The main reason for the increase in the cost of services (including logistics services) is the sales dynamics caused by both the increase in volumes and the translation of inflation into unit sales prices.

The greatest-value item under the Group's operating costs is **distribution services**, that is the remuneration of branch owners, which is a share in the generated margin. Together costs of distribution in 2024 reached PLN 1,855,441 thousand, i.e. 39.5% of total costs by type.

The distribution costs the share of the entity managing the branch in the margin earned. The sales margin generated by a branch is divided between the branch and Inter Cars in the 50/50 ratio. The branch system is based on the assumption of entrusting management of a distribution point (branch) to external entities. Sales are made on behalf of Inter Cars. External entities (branch entities) employ workers and cover current costs of functioning from revenue, which is share in generated margin on sales of goods. Settlement of share in margin is made in monthly periods. The Company provides organizational and logistic knowledge, capital, vendors of parts, full product range and its availability, trade mark. Branch entity contributes the knowledge of local market and experienced employees to Inter Cars. Risk of activities of a given entity (branch) is borne by the entrepreneur that, by running own business, optimizes the resources that remain at their disposal.

(in thousand PLN)

Financial revenues and costs include primarily costs and revenues due to interest. In 2024 in particular, the Group sustained costs on this account in the amount of PLN 163,269 thousand, (PLN 173,583 thousand in 2023). The decrease in interest expenses was related to the fall in WIBOR and other factors, which are the basis for interest calculation for banks.

Liabilities resulting from credits, loans, debt securities and finance lease as at 31 December 2024 amounted to PLN 3,224,264 thousand. (PLN 2,575,149 thousand in 2023).

Income tax expense includes accrued income tax, as well as a change in assets and deferred tax liabilities, with total value of PLN 134,368 thousand (PLN 203,855 thousand back in 2023)

Financial revenues include, first of all, revenues under interest (under funds on bank accounts, under loans and receivables past the expiration date). **Financial costs** comprise primarily the costs of interest on loans and borrowings. **Foreign exchange gains (losses)** are presented under two items of the statement of the total income: the part corresponding to the realised and unrealized foreign exchange gains (losses) on settlements of trade payables in foreign currencies is presented as an adjustment to the cost of goods for resale sold, and the balance is presented as a separate item of the statement.

Working capital needs and investments in property, plant and equipment are financed solely with the generated profit, proceeds from bank loans, and finance leases.

The structure of the working capital and **working capital** requirement of the **Group** are set forth in the table below

	2024	2023
Current assets	8,546,316	7,550,897
Cash and securities	462,919	367,904
Short-term liabilities	3,692,672	3,143,903
Current loans, borrowings and lease liabilities	1,648,367	1,283,863
Adjusted current assets [A]*	8,083,397	7,182,993
Adjusted current liabilities [B]**	2,044,305	1,860,040
Net working capital [A-B]	6,039,092	5,322,953

*[A] Current assets less cash and cash equivalents

**[B] Current liabilities less current loans, borrowings and lease liabilities

Net working capital engaged increased by 13.5%

Stock rotation cycle of the Group is presented in the following table

	2024	2023
Inventory cycle in days	125	122
Average collection period in days	53	48
Operating cycle in days	178	170
Average payment cycle in days	38	35
Cash conversion cycle in days	140	135
Current ratio	2.3	2.40
Quick ratio	0.96	0.99
Cash ratio	0.13	0.12

(in thousand PLN)

Debt ratios of the Group are presented in the following table

	2024	2023
Total debt ratio	0.53	0.52
Debt-to-equity ratio	1.11	1.09

Total debt ratio reached 0.53, an increase of 0.01 p.p. on the previous year.

The Group's operations are funded with the Group's internally generated funds and bank loans.

Debt-to-equity ratio went up compared to 2023 and equals 1.11.

Inter Cars meets its liabilities as they fall due and the Management Board believes that there are no facts or circumstances that may represent a threat to such timely meeting of Inter Cars' liabilities.

The structure of **cash flows** of the Group is presented in the following table

	2024	2023
Net cash from operating activities	336,548	486,668
Net cash from investing activities	(370,906)	(351,926)
Net cash from financing activities	129,373	(124,028)
Cash and cash equivalents at the end of the period	462,919	367,904

In 2024, cash flow generated from operating activities decreased by PLN 150,120k mainly due to an increase in inventory levels.

The value of funds generated in investing activities achieved a higher negative value mainly due to higher expenses incurred for the purchase of intangibles necessary for the business and fixed assets, for the most part representing subsequent stages of the construction and equipping of the newly launched warehouse halls at the European Logistics and Development Centre in Zakroczym.

The cash flows from financing operations were impacted by an increased use of the syndicated loan and decrease of interest rates.

(in thousand PLN)

Key figures for the assessment of the **Company's** profitability are set forth in the table below.

	2024	2023
Net revenue from sales of goods and products	12,606,681	11,805,991
<i>Change</i>	7%	14%
Gross profit on sales	3,085,514	2,792,877
<i>Sales margin</i>	24.48%	23.66%
Exchange differences	3,186	5,856
Operating profit	443,365	421,995
<i>Operating margin</i>	3.52%	3.57%
<i>EBITDA</i>	485,874	464,066
Gross profit	459,211	433,993
Net profit	402,735	361,241
<i>Net profit margin</i>	3.19%	3.06%
Balance sheet total	7,832,673	7,080,590
<i>ROA</i>	5.14%	5.10%
Non-current assets	997,776	979,572
Equity	3,518,876	3,126,200
<i>ROE</i>	11.45%	11.56%

Gross sales profit was 10.5% higher than in 2023.

Operating result in 2024 was higher than in 2023 by 5.1%.

EBITDA margin in 2024 was running at the level of around 3.85% (in 2023: 3.93%).

In total, **selling costs and administrative expenses** increased by 14.4% on the 2023 figure, without distribution cost and licence fees. The greatest-value item under the Company's costs is **distribution services**, that is the affiliate branch's share in the generated margin. In 2024, the total distribution costs amounted to PLN 841,426 thousand i.e. 33% of the total costs by type, and were 6.1% higher than in previous year.

The chart below presents the structure of **Company costs by type**

	2024	2023	Change
Amortization and depreciation	42,509	42,071	1.0%
Materials and energy used	49,847	35,523	40.3%
Outsourced services, including:	2,151,147	1,942,844	10.7%
<i>distribution services</i>	841,426	793,103	6.1%
<i>other services</i>	1,309,721	1,149,741	13.9%
Taxes and fees	61,124	57,368	6.5%
Payroll	186,365	154,332	20.8%
Social insurance and other benefits	37,167	31,786	16.9%
Other costs by type	24,699	29,983	-17.6%
Total costs by type	2,552,858	2,293,907	11.3%

Finance income primarily includes interest income (from funds deposited in bank accounts, loans advanced, and past due receivables).

Financial costs comprise primarily the costs of loans. The cost of interest in 2024 amounted to PLN 122,404 thousand (in 2023 PLN 139,445 thousand). The lower interest costs were due to the decrease in interest rates related to the situation in financial markets around the world.

Foreign exchange gains (losses) are presented under two items of the statement of the total income: The part corresponding to the realised and unrealized foreign exchange gains (losses) on settlements of trade payables in foreign currencies is presented as an adjustment to the cost of goods for resale sold, and the balance is presented as a separate item of the statement. Total exchange rate gains/losses presented in both positions in the year 2024 were negative and amounted to PLN 58,652 thousand. In the year 2023 there were also negative exchange rate gains/losses amounting to PLN 52,796 thousand. Negative foreign exchange rates resulted main from stronger PLN against the EUR.

Working capital needs and investments in property, plant and equipment are financed solely with the generated profit, proceeds from bank loans, and leases.

(in thousand PLN)

The structure of the working capital and **working capital** requirement of the **Company** are set forth in the table below

	2024	2023
Current assets	6,834,897	6,101,018
Cash and cash equivalents	41,832	51,932
Short-term liabilities	3,254,205	2,901,394
Short-term loans, borrowings, debt security and finance lease liabilities	1,343,215	1,145,688
Adjusted current assets [A]*	6,793,065	6,049,086
Adjusted current liabilities [B]**	1,910,990	1,755,706
Net working capital [A-B]	4,882,076	4,293,380

*[A] Current assets less cash and cash equivalents

**[B] Current liabilities less current loans, borrowings and finance lease liabilities

Net working capital engaged increased by 13.71%

Stock rotation cycle of the Company is presented in the following table

	2024	2023
Inventory cycle in days	100	99
Average collection period in days	108	97
Operating cycle in days	208	196
Average payment cycle in days	59	55
Cash conversion cycle in days	149	141
Current ratio	2.10	2.10
Quick ratio	1.25	1.25
Cash ratio	0.01	0.02

Debt ratios of the Company are presented in the following table

	2024	2023
Total debt ratio	0.55	0.56
Debt-to-equity ratio	1.23	1.26

The total debt ratio in 2024 is equal to 0.55 and is lower by 0.01 percent compared to 2023. The debt-to-equity ratio in 2024 is equal to 1.23 and has decreased by 0.03 p.p. compared to the previous year.

The Company's operations are funded with the Company's internally generated funds, lease and bank loans. In total, at the end of 2024, liabilities on credits, loans, debt securities and finance lease amounted to PLN 2,207,667 thousand, while in 2023 it was PLN 2,009,259 thousand.

Inter Cars meets its liabilities as they fall due and the Management Board believes that there are no facts or circumstances that may represent a threat to such timely meeting of Inter Cars' liabilities.

(in thousand PLN)

The structure of **cash flows of the Company** is presented in the following table

	2024	2023
Net cash from operating activities	(113,437)	(35,149)
Net cash from investing activities	148,171	2,435
Net cash from financing activities	(6,110)	9,473
Cash and cash equivalents at the end of the period	41,832	51,932

In 2024, cash flow from operating activities was negative. This was mainly influenced by an increase in trade receivables, both from related and unrelated parties.

The cash generated from investing activities is attributable to the repayment of loans granted to related entities in the Group.

The negative cash generated from financing activities is due to the lower inflows from loans compared to interest paid, dividends paid to shareholders and payments from leasing and subleasing agreements combined.

13. ASSESSMENT OF INVESTMENT PROJECT FEASIBILITY

In 2024, expenses toward purchases and modernization of plant, property and equipment amounted to PLN 443,119 thousand, compared to PLN 337,036 a year before. These funds were primarily used for key investments by subsidiaries in the area of automation of logistics operations.

ILS Sp. z o.o. continued to expand its logistics centre in Zakroczym, investing in a state-of-the-art Skypod® automated storage and retrieval system that significantly streamlines logistics processes. The total value of this project is estimated at PLN 215 million, of which PLN 77 million has been spent in 2024. The investment is planned to be completed in the first quarter of 2026.

In parallel, ILS Balcan has started investing in a state-of-the-art, fully automated warehouse in Brasov (Romania). The project, worth approximately PLN 200 million, aims to increase operational efficiency through the implementation of Skypod® technology. In 2024, PLN 178 million has been allocated for this purpose. The project is planned to be completed in the third quarter of 2025.

The Group's investments in 2024 were financed from its own funds and available loans.

14. EXTRAORDINARY FACTORS AND EVENTS WITH A BEARING ON THE COMPANY'S PERFORMANCE

The consolidated EBITDA for 12 months cumulatively for the period ended on 31 December 2024 was PLN 1,265,547 thousand. In the corresponding period of 2023, it was PLN 1,217,522 thousand.

15. EXTERNAL AND INTERNAL FACTORS IMPORTANT TO THE GROUP'S DEVELOPMENT

Internal factors

The Management Board believes that the following are major internal factors that affect the current and future financial performance:

- (i) *sales network development* – it results in an increase in the number of affiliate branches and development of business contacts with end customers (garages);
- (ii) ability to select the correct development strategy in the competitive and evolving market – it determines the Group's long-term growth potential in the market characterised by intense competition and changes in the spare parts distribution model, which result from the introduction of new regulations by the European Union and revisions of the operational strategies by vehicle and spare parts manufacturers;
- (iii) development of loyalty schemes – launch of new and development of the existing schemes, which determine the Group's potential to enhance customer loyalty and, in effect, increase the Group's sales volume and value on the markets, tailored individually to local markets according to needs and regulations;

(in thousand PLN)

- (iv) *focus on a targeted product group and area of operations* – a focused development strategy, enabling the Group to fully harness its potential and engage in the areas where it has the greatest competence;
- (v) *market knowledge* – the ability to reach end customers effectively, which, thanks to the relevant experience and state-of-the-art sales support methods, gives Inter Cars Group a significant competitive edge;
- (vi) *development of sales support tools* – continual introduction of tools and solutions that enhance customer service quality, in particular the launch of the well-known software, already used in Poland, in the Czech Republic, Slovakia and Hungary; IC-Catalogue in local language versions, as well as systems to support the "last mile" delivery of ordered products to customers
- (vii) *qualified staff* - one of the key factors behind the ability to maintain and further improve the competitive position of the Group entities;
- (viii) *efficiency of the goods logistics system* – which translates into the ability to continuously optimise the existing processes and launch new solutions that, on the one hand, facilitate effective control and reduction of goods turnover costs in the expanding network, and on the other improve supply efficiency in the growing sales network with a very broad offering of goods; The widely implemented warehouse automation and integration with ERP systems has had a significant impact;
- (ix) *the efficiency and reliability of critical IT systems* - a precondition to maintain the application's full capacity both to support goods turnover and to provide the information that is essential to manage the Group and meet its disclosure and regulatory obligations.

External factors

The Management Board believes that the following are major external factors that affect the current and future financial performance:

- (i) *macroeconomic situation* – it determines the scale of business activity and thus the employment rate in the national economy and the population's incomes, which translate into the current and future capacity of potential customers to purchase vehicles and cover the cost of their operation and repair;
- (ii) *macroeconomic situation in countries where the Capital Group operates* – the level of spending on vehicles depends on incomes of the population and of businesses, and influences the size of the spare parts markets in those countries, and the Group's sales on those markets;
- (iii) *EURO/PLN and USD/PLN exchange rate fluctuations* – which affect prices of goods offered by the Company and, indirectly, its financial performance, as well as EURO against local currencies;
- (iv) *greater customer loyalty* – it results from smaller diversification of supply sources for garages, and translates into growing number and value of orders from customers, and reduced risk of a decrease in sales;
- (v) *development of independent garages* – which are the Group's key customer group, and which face important challenges in view of the need to adapt to growing market requirements resulting from the increasing complexity of vehicle repairs;
- (vi) *changes to the distribution structure following changes in the European Union's legislation* – for the Group they pose major challenges and offer opportunities to gain access to a group of customers who purchase spare parts exclusively from vehicle manufacturers; they also give independent garages access to technical information of vehicle manufacturers on equal rights with licensed garages, and thus remove material barriers to independent garages' development, which enhances growth opportunities for the independent repair services sector – the primary customer segment of the Group;
- (vii) *changes in the spare parts demand structure resulting from changes in car manufacturing technologies* – they are expected to drive growth in demand for relatively more expensive car components and increased requirement for advanced vehicle diagnostics devices and plain garage equipment;
- (viii) *car sales volume, average age of a car on the market, structure of local market regulations enforcing vehicle adaptations* – these things determine the demand for spare parts in the short, medium and long term, by affecting the number of vehicles used in the countries where the Group is present;
- (ix) *used car imports volume* – which, in combination with sales of new cars, is the decisive factor behind the growth in the number of registered vehicles, and, consequently the demand for repair services and spare parts; the volume of used car imports, owing to their age and mileage, will more quickly drive the growth in demand for parts, but will also affect the structure of global demand, by increasing the demand for relatively cheaper parts, and, in the event of new cars being replaced by used cars to a significant degree, by causing a drop in demand from garages for workstation equipment;

(in thousand PLN)

- (x) competition in the industry – which requires a continuous improvement in the Company's competence in terms of sales organisation, sales support mechanism, offered range of products and affiliate branch locations; support for IT tools directly involved in delivery processes and increased delivery speed as a result of warehouse automation;

16. RISK AND HAZARD FACTORS, WITH SPECIFICATION OF THE DEGREE OF THE ISSUER'S EXPOSURE

Risk of changes in the discount policies of spare parts manufacturers

An important item that has a bearing on the Group's financial results is discounts offered by spare parts manufacturers. The discount policies favour those customers who generate substantial purchase volumes. Any changes to the policies that involve a reduction or complete abandonment of the discounts would result in a marked deterioration in the Group's performance.

The Management Board believes such a scenario is highly unlikely and the Group as a major customer can count on at least equally favourable discount terms in the future. A potential abandonment of discounts would probably lead to lower purchase prices and higher selling prices, so the Group's margin would be maintained given the Group's purchasing power and fairly easy substitution of the supply sources. Such a change will affect the entire market in proportion to the market shares in the relevant market for all competitors.

Due to the escalating trade conflict between the US and China, changes in global trade flows in the automotive parts sector are possible. The increase in tariffs on Chinese goods exported to the US increases the operating costs of Chinese manufacturers, which may lead to a reduction in their profitability in the US market. As a result, some suppliers may decide to withdraw from the US market and redirect their products to other areas, including Europe - looking for more stable and profitable sales channels. For Inter Cars, this could mean increased availability of Asian parts and greater price competition in Europe. At the same time, it should be noted that Inter Cars' main supply routes are based on cooperation with partners from Europe, the Middle and Far East, which limits the direct impact of the tariff war on the Company's operations. In addition, there is a risk of a domino effect in global supply chains, especially for high-tech components (e.g. chips, sensors, ECUs, security systems or licences), which are mainly produced in the USA. Even if final assembly takes place outside the US, the increased cost of these components can affect prices across the automotive industry. However, it is worth emphasising that these components are not a key area of activity for the Inter Cars Group.

From a European perspective, there are currently no signs that the European Union is planning widespread retaliation against US customs policy. Possible EU responses are selective and unlikely to include the automotive sector, reducing the risk of new trade barriers affecting the Group's business. In the event of a further decline in profitability on the part of producers, changes to discount systems are possible. Possible adjustments to trading conditions may affect selected manufacturers and their effects will be spread evenly across the entire customer market - not just Inter Cars.

In the Management Board's opinion, potential adjustments to prices or trading conditions will be market-wide and will not jeopardise the Group's competitive position. Inter Cars monitors the situation in order to respond to changes and adapt its activities to new market challenges.

Risk related to adoption of an incorrect strategy

The market in which the Group operates is constantly evolving, and the direction and pace of the changes depend on a number of factors, which are often mutually exclusive. Therefore, the future position of the Group, and hence its revenue and profit, depend on its ability to develop a strategy that proves effective in the long term. Any incorrect decisions resulting from misguided judgements or the Group's inability to adapt to the rapidly changing market environment may adversely impact financial performance.

To minimize risk of such hazard, current analysis is conducted of all the factors determining the selection of strategy in two perspectives: short term, including terms of supply, and long-term, including strategy of creation and development of sales network so as to ensure maximally precise determination of the direction and nature of changes in the market environment.

(in thousand PLN)

Risk related to changes in the demand structure

The Group maintains certain stock levels for a broad range of products. Purchases made by the Group are a function of the perceived market demand for specific product groups, and, as such, are susceptible to the risk of faulty market analysis or changes in the demand structure. Potential changes in demand, in particular a rapid decline in demand for specific product groups that were purchased by the Group in large quantities, may entail substantial losses to the Group, resulting from working capital being tied up or from the need to apply high discounts.

The Management Board believes that this scenario is unlikely owing to the prevalence of linear demand change trends with respect to the Company's goods. Further, the Group pursues an active working capital management policy, the effect of which is keeping low stock levels (in terms of value) for individual products (products are sourced from manufacturers that ensure execution of orders in a relatively short time). To note, the Group's offering does not include parts for vehicles manufactured in the former Eastern Bloc, whose production has been discontinued, which eliminates the risk of funds being tied up in stocks of spare parts for vehicles representing a diminishing market segment.

Risk related to seasonal sales

The Group's comprehensive income is not highly sensitive to seasonal fluctuations. The Company's broad offering of spare parts includes some items whose sales depend on the season of the year, notably winter. Goods that are most susceptible to seasonality and short-term sales, such as winter tyres, are ordered from suppliers several months before the expected sales peak, as a result of which, in the case of extremely adverse weather, the sales of seasonal goods may actually be lower than expected, which may have a negative bearing on the financial performance of the Group.

Risk related to bank loans

Bank loans are an important source of funding for the Group's operations. As at 31 December 2024, the Group's debt under bank loans and finance leases amounted to PLN 3,224,264 thousand. and the total financial costs of servicing them (interest) reached PLN 147,840. Loans raised by the Group are variable-rate loans, so a potential marked increase in interest rates, translating into higher reference rates for the loans, would – through higher finance expenses – reduce the Group's profitability and limit its capacity to generate funds to finance further development and, in extreme cases, could even threaten its liquidity. Another risk factor associated with bank financing is the risk of a bank's refusal to extend or grant lines of credit. Any reduction in the Company's ability to fund its business with bank loans resulting from a termination of or refusal to extend some of the agreements would have a material adverse effect on the Company's development prospects, its liquidity and financial performance.

Risk of an affiliate branch operator engaging in competitive activity

If an operator whose branch operation agreement has been terminated (by the operator or the Group) engages in a competitive activity involving the take-over of relations with customers, this may have a material adverse effect on sales in the region concerned.

In order to mitigate the risk, the agreements concluded with branch operators provide for high cash penalties in the event they engage in competitive activity after the agreement is terminated.

Risk related to the IT system

The efficient functioning of IT systems is crucial to the Group's operations. Problems with their availability, integrity or confidentiality can lead to operational disruptions, reduced sales and, in extreme cases, a temporary halt to sales altogether, directly affecting financial results.

In order to minimise the risk, the Group implements solutions that ensure:

- Availability - redundant servers, back-up systems, backups and alternative communication links which provide business continuity in the event of failure.
- Confidentiality - advanced access control and encryption mechanisms protect against unauthorised access to resources and data.
- Integrity - procedures to protect against data loss or modification, including systems for monitoring and reacting to cybersecurity incidents, an in-house SOC team, numerous tools to secure electronic communications, both email and cloud.
- Staff training, both to raise competence levels and to build awareness of risks.

The Group continuously develops systems to protect against cyberattacks and implements best practices in IT security management to ensure operational stability and data protection.

(in thousand PLN)

The Management Board estimates, after analysing reports from external companies, that cybersecurity risks in relation to electronic communications will increase, and will therefore require adequate competence and increased awareness on the part of both Inter Cars Group employees and sales network employees.

Risk related to independent garages' inability to adapt to market requirements

Given the growing complexity of assemblies in new cars, there are higher requirements on their operation and repair, both in terms of mechanics' knowledge and training, and workstation equipment needed. Independent garages will therefore be forced to continually improve their skills and invest in equipment and online access to advanced vehicle diagnostics and repair systems in order to have the capabilities to service new car models. Insufficient capabilities development by independent garages will shrink the Group's sales market and will have a negative impact on its financial performance.

The Management Board believes that those adverse factors will be counterbalanced by the continuously growing involvement of spare parts distributors and manufacturers in the furnishing and financing of the furnishing of independent garages, the possibility of close collaboration between licensed and independent garages, and the right of all parties to access technical information available from vehicle manufacturers on equal rights (under the new regulations), which facilitates the transfer of know-how to independent garages. In the longer perspective, it can be expected that those independent garages that cannot cope with the challenges will be eliminated, while those that have the best technological and development resources will grow, which will in fact strengthen the independent garages segment, despite the likely short-term negative changes to its size. In addition, the increase in imports of used cars into Poland from both, other countries in Europe and the USA have increased the demand for the services of low-cost, small, full-service garages, thus enabling their further growth and accumulation of the necessary knowledge and capital.

Risk that major foreign wholesalers of spare parts may enter the Polish market

The market of independent automotive spare parts distribution in Poland is dominated by Polish-owned entities. The size of the market and its good prospects indicate a growing probability that it may be entered by foreign distributors, which, by offering more attractive terms of spare parts purchase, may take up a significant share of the market. The resultant competitive pressure will adversely impact the Group's performance, and in extreme cases may significantly limit its development potential, or even result in a drop in revenue and profit. Another risk resulting from the possible entry into the Polish market of major foreign distributors is the loss of strategic suppliers, for whom certain foreign distributors may be bigger customers.

The Management Board believes the risk is not material. Potential expansion into Poland may take place primarily through acquisitions of the existing entities, therefore a rise in the competitive pressure is not likely to be significant, although it may reduce the average margin.

In view of the above, the Management Board will strive to increase sales value in a steady and dynamic manner, so that the profit level can be maintained notwithstanding a potential decline in the margins. Further, the likelihood of Inter Cars losing the possibility of making purchases from certain strategic suppliers as a result of the presence of foreign entities in the Polish market which are distributors of those manufacturers' products in other countries is limited, as spare parts manufacturers seek to diversify their customer base.

Risk related to customer base diversification by spare parts manufacturers

An important element in spare parts manufacturers' sales strategies is diversification of their wholesale customer bases, which limits the possibility of increasing market shares by individual distributors (including the Group). The Management Board believes that the maximum share in the Polish market that the Group is able to secure (in the segment of independent garages) is 25 to 30%. After this level is achieved, further revenue growth will be possible only through the entire market's increase in value, and if this is the case the Group's revenue will be more sensitive to changes in the market environment, and the possibility of growth through market consolidation will be very limited.

The Management Board is taking steps to develop an operational model that allows the Group to continuously expand its product range, including through the development of new segments, such as provision of garage equipment, fleet management, construction of semi-trailers, etc. Moreover, a counterbalance for expectations of limitations on Polish market is development of business activities, especially in Ukraine, Czech, Slovakia, Croatia, Hungary, Lithuania, Latvia, Italy, Belgium, Romania, Germany, Bulgaria, Slovenia, Estonia, Moldova, Greece and Bosnia and Herzegovina, Serbia and Albania.

Risk related to car manufacturers taking over spare parts production

Although access to spare parts manufactured by vehicle manufacturers is available to all potential buyers, the terms of purchase from such manufacturers would most likely be less advantageous than the terms of purchase from such specialised spare parts producers as exist under the current system, i.e. production of parts for the initial assembly and for the aftermarket by the same manufacturers. Additionally, a change to the existing spare parts production model would reduce the value of the segment of original spare parts supplied by spare parts manufacturers. This would have a material adverse effect on the Group's financial performance.

(in thousand PLN)

However, owing to the high degree of specialisation in developing and producing spare parts (which also implies the ability to offer competitive prices), the Management Board believes the scenario to be unlikely.

Risk related to spare parts manufacturers taking over the independent spare parts distribution network

Any acquisitions of independent spare parts distributors by those spare parts' manufacturers could entail significant changes to the distribution model with respect to spare parts offered by the individual entities, involving limitation of their sales to other networks, including the Group. In such a case the Group could gradually lose certain supply sources, which would limit the size of its offering and undermine its competitive position.

However, as spare parts manufacturers seek to diversify their customer base, and are fairly easy to substitute, the Management Board believes that this risk factor should not pose a material threat to the Group's market position and its financial performance.

Risk related to the macroeconomic situation

The recent macroeconomic data prove that both, the Polish economy, as well as the economies of the Euro-zone countries, are slowing down. The global economy maintains moderate growth, but is exposed to risks related to geopolitical tensions and US trade protectionism including possible sanctions on some Eurozone economic sectors. A deterioration of the economic situation in the Euro zone and, indirectly, also in Poland, could have a negative effect on the Group's results.

Risk related to economic policy in Poland

Economic, fiscal and monetary policies in Poland largely determine the growth rate of the domestic demand, which indirectly impacts the volume of the Group's sales, and thus its financial performance. The Group's performance is threatened by changes that affect the reduction in domestic demand:

- Fiscal policy (e.g. taxes, public spending) and monetary policy (e.g. interest rates, inflation) have a direct impact on the purchasing power of consumers and companies.
- High inflation, an increase in the cost of credit (interest rates) and regulatory uncertainty can reduce demand for goods and services, which affects the Group's sales.
- Frequent and unannounced tax and regulatory changes can make long-term investment and business strategy planning difficult. These include changes in VAT rates, sectoral taxes, social security contributions and changing business regulations e.g. NIS2.

The above may result in certain intentions not being realised and introduces a significant element of uncertainty into the Group's long-term development planning.

The Group's operations in a number of countries mean exposure to different economic, currency and legal systems, which can create volatility in the Group's consolidated financial results.

Risk related to the foreign customers structure

Export sales in Inter Cars Group is done to most of the countries in Europe, excluding Russia and Belarus. Therefore, a significant share of the Group's sales is exposed to risks specific to the customers' country, such as:

- changes in the size and structure of the spare parts market,
- changes in the purchasing power of the population,
- stability of the economic and political systems in these countries.

Possible adverse developments in those countries, which would lead to a reduction or cancellation of purchases by these entities, could adversely affect the Group's financial performance.

Risk related to activities regarding remanufacturing of spare parts

Remanufacturing of spare parts is one of the Group's business areas and is exposed to risks related to:

- the inadequacy of IT solutions supporting control and management,
 - inventories, including the need to maintain a high stock of production materials and remanufacturing parts, and thus the risk of their loss in value in the event of changes in customer preferences or increased competitive pressure from other entities,
 - instability of procurement based on a system of orders without fixed contracts with key customers
 - competitiveness: increasing market pressure, both from other remanufacturers and from producers of low-cost parts, in particular from the Far East, which may negatively affect the profitability and margins of the remanufacturing process.
-

(in thousand PLN)

Risk related to development of the subsidiaries

Subsidiaries are established in countries where there are reasons to expect a satisfactory rate of return on the capital employed. In practice, the parent entity invests substantial funds in the development of operations in entirely new markets, having different characteristics in terms of important operational aspects. The consequent risk run by such investments is relatively greater than it would be if the funds were invested in further development of the operations in Poland, where the parent entity has the greatest competence, resources and position.

To mitigate this risk, the parent company employs experts with local market knowledge, and makes the necessary feasibility studies and assessments of risks inherent in launching operations in a new market. At the same time, by increasing the geographical reach of its operations, the parent company is able to diversify the risk of operating in a single country, in particular Poland.

The risk of digitisation and automation

Modern business development is largely based on digitisation, i.e. the automation of business processes and the robotisation of support processes. The introduction of modern technological solutions makes it possible to optimise operations, increase efficiency and improve data management. In particular, the company uses Big Data technologies, artificial intelligence (AI) and advanced analytical tools to effectively manage and protect information assets.

Dynamic technological development and the changing business environment require the company to continuously adapt and invest in innovative IT solutions. An important element of the strategy is to support the development processes of new sales applications and the development of the IT environment, thus maintaining competitiveness and minimising the risk of technological debt.

Climate risk

Extreme weather events associated with climate change and rising global temperatures - including floods, hurricanes and droughts - are critical to global security, as well as the operational activities of many companies and the global economy as a whole. Both physical changes to our environment and efforts to meet global decarbonisation targets will require economic transformation, led by fundamental business model change.

Climate-related risks are described in detail in Sustainability Report in chapter 2.2. E1 - Climate change.

Environmental, social and corporate governance risks

Risks caused by the Inter Cars Group or by entities with which the Group is directly associated, as well as the Group's business partners within their Value Chain in relation to people, the environment, society and corporate governance. Described in detail in Sustainability Report in chapter 1.5. Significant ESG impacts, risks and opportunities.

Employee and market competence risks

The risk relates to the difficulty of attracting or retaining competent and experienced employees to ensure the ability to achieve strategic objectives. The labour market in Poland, as well as in Europe, is transforming. There is often a shortage of qualified specialists in niche industries. This is an important issue, which requires employers to be flexible and proactive in attracting and retaining employees with the right competencies to execute complex sales activities or to build advanced IT systems to improve the efficiency of delivery processes.

Risk of escalation of hostilities

An escalation of hostilities in Ukraine could negatively affect Europe's macroeconomic situation and, in particular, translate into:

- an increase in financing costs as a result of rising interest rates
- reduced supply of raw materials necessary for the production of spare parts
- an energy crisis caused by disruptions in the supply chain of energy raw materials
- an increase in the prices of energy, materials and production and service costs
- weakening of the PLN and local currencies against the EUR and USD in the countries in which the Group operates,

As a consequence, the above-mentioned factors may lead to a general economic slowdown in Europe

(in thousand PLN)

17. STRATEGY AND FUTURE DEVELOPMENT PROSPECTS

Inter Cars S.A. Group's strategy of development is based on several key elements:

1. Product range development.

Already today Inter Cars offers the widest range of automotive parts in Europe. However, with a focus on continuous product range development, the company is constantly introducing new and developing existing product lines and adapting them to market expectations in terms of part quality, pricing and technical support from part manufacturers.

2. Expansion of the distribution network in Poland and abroad.

As at 31 December 2025, Inter Cars had 664 branches, including 246 branches in home country. The Company provides organisational and logistics expertise, capital, IT systems, a full range of products and their availability, and a trademark. The strategic objective is to continually develop the distribution network that has been built up so far and is working so effectively

3. Logistics.

Another element in building Inter Cars' competitive advantage is the continuous improvement of the supply chain and logistics services. Within Inter Cars there is a specially dedicated company, ILS sp. z o.o. (ILS), which acts as a specialised logistics entity. Its task is to organise the flow of goods from manufacturers to Inter Cars branches. Work continues to be performed to automate and robotise warehouse operations at the Group's logistics centres in Poland and abroad.

4. Development of partnership programmes.

Partner programmes add value to the product range, such as: garage equipment programmes, training, technical service, the development of sales-support IT systems and the ongoing development of the Motointegrator Partner garage chains (Q-Service Castrol, Parts manufacturer networks such as Bosch Car Service, Premio) and Q-Service Truck.

5. Development of Motointegrator.pl and fleet programme.

Motointegrator is a platform that helps drivers find a solution to a problem with their car at a professional garage recommended by Inter Cars. The priority is to develop the parts sales with service (s-commerce) pillar. The aim is to steadily increase the volume of sales to both retail and fleet customers of the service they need and direct them to a garage recommended by Inter Cars.

The Group has already introduced a new platform for B2B customers in 21 countries (including Poland) where Inter Cars operates. In 2025, implementation in another country is planned. The platform is already used by 250,000 users across Europe and 7,000 Inter Cars employees. The platform records over 8 million logins per month. An important challenge will also be the implementation of a segment strategy in foreign markets, which will enable dynamic sales growth not only in the core passenger vehicles segment, but also in other areas such as trucks, tyres and garage equipment.

6. One-Stop-Shop

The idea of our strategy is heading towards the one-stop-shop model. This applies not only to continuous development of Company's product range, but also development of partner programmes, which are a substantial added value for the key customers, i.e. repair garages. In addition to selling parts and car accessories, we provide garages with the necessary tools and equipment. As a part of after-sales activities we are organizing technical trainings in the area of modern repair technologies and offer comprehensive services, helping garages in their activities. Using Motointegrator and Motointegrator Fleet projects we are also redirecting drivers to our trade partners.

The strategy is realized by all companies of the Inter Cars Group.

18. CHANGES IN KEY PRINCIPLES OF MANAGING THE GROUP

In the reporting period, the Group did not implement any changes in the key principles of management of the Group's business.

(in thousand PLN)

19. REMUNERATION OF EXECUTIVES

On 8 June 2020, the Ordinary General Meeting of Shareholders adopted the policy of remuneration of the Members of the Management Board and the Supervisory Board.

The remuneration is presented using accrual and cash method (paid out plus due bonus)

Remuneration of the members of the Supervisory Board (in PLN)

	01/01/2024- 31/12/2024	01/01/2023- 31/12/2023
Andrzej Oliszewski – Chairman of the Supervisory Board	267,600	258,540
Jacek Podgórski – Member of the Supervisory Board	192,000	192,000
Radosław Kudła – Member of the Supervisory Board	216,000	222,000
Piotr Płoszajski – Member of the Supervisory Board	64,000	116,000
Jacek Klimczak – Member of the Supervisory Board	96,000	96,000
Tomasz Rusak – Member of the Supervisory Board	96,000	96,000
	931,600	980,540

Remuneration of the members of the Management Board (in PLN)

	01/01/2024- 31/12/2024	01/01/2023- 31/12/2023
Maciej Oleksowicz – President of the Management Board	4,305,852	4,204,000
Krzysztof Soszyński – Vice-President of the Management Board	4,306,452	4,205,800
Wojciech Twaróg - Member of the Management Board	4,302,852	4,205,200
Piotr Zamora – Member of the Management Board	4,305,852	4,204,787
Wojciech Aleksandrowicz - Member of the Management Board	4,307,452	-
	21,528,460	16,819,787

The remuneration of the key management personnel presented in this note includes the amounts paid and due during the reporting period.

The Group's key personnel include members of the Management Board and the Supervisory Board of the company, i.e. persons with authority and responsibility for planning, directing and controlling the Company's activities directly or indirectly.

Total remuneration of the members of the Management Board paid or due for 2024 amounted to PLN 21,528,460.

On 26 June 2017, the Company's Supervisory Board passed a resolution adopting an Incentive Scheme for the members of the Company's Management Board. It became effective as of the beginning of the financial year of 2017 and shall remain in force until repealed. The scheme has the form of an additional remuneration payable to the members of the Company's Management Board for performing their duties (hereinafter referred to as "the Cash Bonus"). The Cash Bonus is calculated as a percentage of the consolidated net profit of the Inter Cars S.A. Capital Group. The Cash Bonus is granted following the approval by the Ordinary Shareholders Meeting of the Company of the consolidated financial statements of the Inter Cars S.A. Capital Group for a given financial year.

Information on agreements concluded between the Company and the management staff members, which would provide for a compensation to the management staff members in case they resign or are dismissed without a good reason or in case they are removed or dismissed due to the Company being merged with another company by way of an acquisition.

The non-competition agreements entered into with the members of the Management Board and approved on 26 June 2017 by virtue of a resolution of the Company's Supervisory Board (hereinafter referred to as "the Agreements") regulate the issues related to refraining from engaging in activities competitive to those carried out by the Company following ceasing to perform the duties of a member of the Management Board in return for a compensation. During the term of the non-competition period, i.e. 12 months of the date of ceasing to perform the duties of a member of the Management Board, the members of the Management Board are entitled to a compensation of 80% of twelve times the average monthly remuneration paid or payable to a member of the Management Board by the Company or entities from the Inter Cars S.A. Capital Group during the 36 months immediately preceding the date of ceasing to perform the said duties ("hereinafter referred to as "the Base"), calculated in conformity with the said Agreements.

Furthermore, the Agreements provide for an additional severance pay in the event of a dismissal of member of the Management Board or in the event of such member not being appointed for a subsequent term of office during a period of

(in thousand PLN)

24 months of the date of a hostile takeover or a change of control. In such cases, a member of the Management Board is entitled to a severance pay of 60 times the Base in the event of a hostile takeover, and 12 times the Base in the event of a change of control. According to the Agreements, a hostile takeover refers to a situation where an entity other than a shareholder, holding as at the date of signing the Agreements at least twenty-five percent (25%) of the Company's stocks, controlling entities of such shareholder, subsidiaries of such shareholder or subsidiaries of entities controlling such shareholder or their legal successors (hereinafter referred to as "the Key Shareholder"), acquires, directly or indirectly, at least thirty-three percent (33%) of the Company's total stock without the consent of the Key Shareholder or another entity to which the Key Shareholder sells the shares it holds in the Company. According to the Agreements, a change of control refers to a situation where a direct or indirect share of any Key Shareholder in the total number of the Company's shares decreases below five percent (5%).

Information on shares

Company shares and Shares in related entities held by the management and supervisory Staff.

As at 31/12/2024

The Company's supervisory and managing personnel hold a total of 4,984,091 shares, constituting 35.17% of the total vote at the General Shareholders Meeting of Inter Cars.

The managing and supervisory personnel hold no shares in the subsidiaries of Inter Cars.

Shareholder	Number of shares	Total nominal value	Percentage of share in the share capital held (%)	Percentage of total vote held (%)
Management Board				
Maciej Oleksowicz*	3,726,721	7,453,442	26.30%	26.30%
	3,726,721	7,453,442		
Supervisory Board				
Andrzej Oliszewski	1,257,370	2,514,740	8.87%	8.87%
	1,257,370	2,514,740		
Total	4,984,091	9,968,182	35.17%	35.17%

* Indirectly via OK Automotive Investments B.V. which is a company dependent from Maciej Oleksowicz, President of the Management Board of the Company.

As at the publication date of these financial statements

The Company's supervisory and managing personnel hold a total of 4,984,091 shares, constituting 35.17% of the total vote at the General Shareholders Meeting of Inter Cars.

Shareholder	Number of shares	Total nominal value	Percentage of share in the share capital held (%)	Percentage of total vote held (%)
Management Board				
Maciej Oleksowicz*	3,726,721	7,453,442	26.30%	26.30%
	3,726,721	7,453,442		
Supervisory Board				
Andrzej Oliszewski	1,257,370	2,514,740	8.87%	8.87%
	1,257,370	2,514,740		
Total	4,984,091	9,968,182	35.17%	35.17%

* Indirectly via OK Automotive Investments B.V. which is a company dependent from Maciej Oleksowicz, President of the Management Board of the Company.

The managing and supervisory personnel hold no shares in the subsidiaries of Inter Cars.

For information of the total number and value of all Company shares, see Note 16 to the separate financial statements.

(in thousand PLN)

Changes in the percentages of shares held under agreements known to the Company

The Company is not aware of any agreements concluded between its shareholders which would affect the Company's business.

Special control powers over the Company

The Company has not recently issued any securities conferring any special control powers.

Restrictions on transferability of securities

There are no restrictions on the transferability of any securities (shares) issued by the Company. All Company shares were admitted to public trading by virtue of the decision of the Polish Securities and Exchange Commission dated April 26th 2004.

On May 11th 2004, the Management Board of the Polish National Depository for Securities adopted Resolution No. 186/04, under which Inter Cars S.A. was granted the status of a participant of the Depository in the category ISSUER, and 11,821,100 Inter Cars S.A. shares were registered with the Depository and assigned code PL INTCS00010. Further issues of 2,347,000 shares took place between 2007 and 2009, as further described in the Consolidated Financial Statements in note 16.

Shareholders holding 5% or more of the total vote as at 31/12/2024:

Shareholder	Number of shares	Total nominal value	Percentage of share in the share capital held	Percentage of total vote held
		(PLN)	(%)	(%)
OK Automotive Investments B.V.*	3,726,721	7,453,442	26.30%	26.30%
Allianz OFE and Allianz DFE	1,786,446	3,572,892	12.61%	12.61%
NATIONALE NEDERLANDEN OFE, NATIONALE NEDERLANDEN DFE**	1,616,799	3,233,598	11.41%	11.41%
Andrzej Oliszewski	1,257,370	2,514,740	8.87%	8.87%
Generali OFE	894,386	1,788,772	6.31%	6.31%
OFE PZU	710,720	1,421,500	5.02%	5.02%
Total	9,992,472	18,603,006	65.65%	65.65%

* Indirectly via OK Automotive Investments B.V. which is a company dependent from Maciej Oleksowicz, President of the Management Board of the Company.

** The list of shareholders was prepared based on notifications received in accordance with art. 69 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies (Journal of Laws of 2005, No. 184 item 1539, as amended), and art. 19 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ("MAR Regulation").

Shareholders holding 5% or more of the total vote as at the date of publication of these financial statements:

Shareholder	Number of shares	Total nominal value	Percentage of share in the share capital held	Percentage of total vote held
		(PLN)	(%)	(%)
OK Automotive Investments B.V.*	3,726,721	7,453,442	26.30%	26.30%
Allianz OFE and Allianz DFE	1,786,446	3,572,892	12.61%	12.61%
NATIONALE NEDERLANDEN OFE, NATIONALE NEDERLANDEN DFE**	1,616,799	3,233,598	11.41%	11.41%
Andrzej Oliszewski	1,257,370	2,514,740	8.87%	8.87%
Generali OFE	894,386	1,788,772	6.31%	6.31%
OFE PZU	710,720	1,421,500	5.02%	5.02%
Total	9,992,472	18,603,006	65.65%	65.65%

*OK Automotive Investments B.V. is a company which is dependent from Maciej Oleksowicz, President of the Management Board of the Company

** The list of shareholders was prepared based on notifications received in accordance with art. 69 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies (Journal of Laws of 2005, No. 184 item 1539, as amended), and art. 19 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ("MAR Regulation").

Information on purchasing own shares

In 2024, the Company did not purchase its own shares.

(in thousand PLN)

20. AGREEMENTS KNOWN TO THE COMPANY (INCLUDING AGREEMENTS EXECUTED AFTER THE BALANCE-SHEET DATE) WHICH MAY GIVE RISE TO FUTURE CHANGES IN THE PROPORTION OF SHARES HELD BY THE EXISTING SHAREHOLDERS AND BONDHOLDERS

The Company is not aware of any such agreements

21. SYSTEM OF CONTROL OF EMPLOYEE STOCK OPTION PLANS

All stock options plans for shares held by Members of the Board were executed in the year 2009. In 2024 no stock option plan was implemented at the Group.

22. QUALIFIED AUDITOR OF FINANCIAL STATEMENTS

On 07 September 2023, the Company signed an agreement with KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k. to perform an audit of the annual financial statements and semi-annual financial statements for 2023 and 2024. The total fee in 2024 resulting from the agreement is PLN 899 thousand, of which PLN 316 thousand is the cost of audit of the annual separate financial statements of Inter Cars S.A., and PLN 405 thousand is the costs of audit of the annual consolidated financial statements and PLN 178 thousand is the cost of audit of semi-annual condensed consolidated financial statements and semi-annual condensed separate financial statements.

Additionally, for the audit of financial statements of Polish subsidiaries: ILS Sp. z o.o., ICMS Sp. z o.o., Feber Sp. z o.o., Lauber Sp. z o.o., Q-Service Sp. z o.o. PLN 73 thousand per each company, and PLN 91 thousand for Inter Cars Fleet Services Sp. z o.o. and Q-Service Truck Sp.z o.o. The total contractual remuneration for the audit of the Polish Subsidiaries for 2024 amounted to PLN 546 thousand.

In turn, as result of an audit of the financial statements of foreign subsidiary companies for 2024 – Inter Cars d o.o. (Bosnia and Herzegovina), Inter Cars Bulgaria Ltd., Inter Cars d.o.o. (Croatia), Inter Cars Eesti OU, Inter Cars Lietuva UAB, Inter Cars Latvija SIA, Inter Cars Piese Auto s.r.l. (Moldova), Inter Cars Romania s.r.l., Inter Cars Slovenská republika s.r.o., Inter Cars INT d o.o. (Slovenia), Inter Cars Hungária Kft, Inter Cars Malta Ltd. & Inter Cars Malta Holding Ltd, the total fee under the agreements amounted to EUR 357 thousand, additionally USD 46,000 for auditing Inter Cars Ukraine LLC., and CZK 1,149 thousand for auditing Inter Cars Česká republika s.r.o..

In addition, on account of other non-audit services for Inter Cars S.A. and Group Companies approved by the Audit Committee in 2024, the remuneration amounted to PLN 464 thousand, including: ESG reporting for 2024 (PLN 280,000), certification of additional SLL indicators for the loan agreement (PLN 28,000), audit of the remuneration report of Inter Cars S.A. for 2024 (PLN 37,000), audit of the report on transactions with related entities for Inter Cars INT d.o. o (Slovenia) (PLN 13,000), translation of the statutory report of Inter Cars Česká republika s.r.o. (Czech Republic) (PLN 7,000), audit of the special purpose financial statements for the period from 1 January 2024 to the date of appointment of the liquidator for Inter Cars (Cyprus) Limited (PLN 34,000), additionally, PLN 65,000 was paid for tax services provided to a Group company in 2024.

23. EMPLOYMENT

As at 31 December 2024, the Company employed 1,026 personnel. In total the Group employed 5,261 people.

As at 31 December 2023, the Company employed 995 personnel. In total the Group employed 4,374 people.

(in thousand PLN)

24. ENVIRONMENTAL POLICY

Inter Cars does not engage in operations which would have adverse effect on the natural environment. Accordingly, the Group is under no obligation to incur expenditure on environmental protection.

As at the reporting date, the Group held the following permits, in the form of administrative decisions, related to environmental protection:

No.	Number and date of decision	Issuing authority	Area covered by the decision	Scope of the decision
1.	Decision no. 170/2013 dated 18/12/2013 (ŚR-6341/11M/2/13)	Governor of the Nowy Dwór County	Cząstków Mazowiecki ul. Gdańska 15, Czosnów Municipality	The water legal permit for intake of underground water from the quaternary formations from an intake in Cząstków Mazowiecki for household and utility purposes, except for food purposes, as well as watering greenery and for the purposes of water treatment, and a permit to build a water facility – well S3.
2.	DKR/074-E9215/08/ar	Superior Environmental Inspector	Cząstków Mazowiecki ul. Gdańska 15, Czosnów Municipality	Registration of the Superior Environmental Inspector for the collection of electronic waste no. E0009215W
3.	DKR/074-E9215/09/ar	Superior Environmental Inspector	Cząstków Mazowiecki ul. Gdańska 15, Czosnów Municipality	Registration of the Superior Environmental Inspector for the collection of waste batteries and recycling of the same no. E0009215WBW
4.	Decision No. 85 of 10/05/2016 (ŚR.6341.15.2016)	Governor of the Nowy Dwór County	Cząstków Mazowiecki ul. Gdańska 27, Czosnów Municipality	The water legal permit for intake of underground water from an intake in Cząstków Mazowiecki on the plot of land number 361/3 belonging to Inter Cars S.A.
5.	Notice of assignment of registration number in BDO dated 20.04.2018	Marszałek Województwa Mazowieckiego	Inter Cars S.A.	Waste Database with registration number 000012313 Re. Generation of waste, introduction of packaged products (as well as oils, tyres, batteries, electrical and electronic equipment)
7.	A decision of 28 June 2022 Valid until 28 June 2052	State Water Holding "Polish Waters"	Inter Cars S.A. ul. Gdańska 15, Cząstków Mazowiecki	Water legal permit for the construction of a water facility, i.e. an earthen, open-air storage reservoir.
8.	A decision no120 of 07 September 2015 Valid until 07 September 2025	Governor of the Nowy Dwór County	Logistics Centre in Zakroczym Swobodnia 35 mun. Zakroczym	Water legal decision for the construction of water facilities and the discharge of rainwater and snowmelt into the ground.
9.	A decision no 97/2014 of 29/05/2014 Valid till 31 May 2034	Governor of the Nowy Dwór County	Logistics Centre in Zakroczym Swobodnia 35 mun. Zakroczym	Water legal decision for the abstraction of groundwater for domestic and household purposes, watering of greenery, maintenance of cleanliness of the area and for the needs of the treatment and boiler house.

(in thousand PLN)

No.	Number and date of decision	Issuing authority	Area covered by the decision	Scope of the decision
10.	Decision no. 19 of 24 April 2024 Valid until 24 April 2024	Governor of the Nowy Dwór County	ILS Logistics Centre in Zakroczym Swobodnia 35 mun. Zakroczym	Waste treatment permit: 15 01 01 and 15 01 03.
11.	A decision no 1/2015 of 06 May 2015 Valid until 05 May 2025	President of Stupsk City	Lauber Sp. z o. o.	Permit for the introduction of gases and dust into the air for technological installations located on the Company's premises.
12.	A decision no 1/2023 of 06 March 2023 Valid until 05 March 2033	President of Stupsk City	Lauber Sp. z o. o.	Waste generation permit for an installation located on the Company's premises.
13.	Amendment of Decision 1/2023 by Decision 5/2024 of 20 December 2024	President of Stupsk City	Lauber Sp. z o. o.	Amendment of waste generation permit for an installation located on the Company's premises, with regard to the amount of waste generated.
14.	A decision of 30 May 2022 Valid until 30 May 2032	Sieradz Starost	Feber Sp. z o. o.	Permit for the introduction of gases and dust into the air for truck production installations located on the Company's premises.
15.	A decision of 04 April 2017 Valid until 03 April 2027	Sieradz Starost	Feber Sp. z o. o.	Permit for the introduction of gases and dust into the air from a technological installation for the production of new vehicles - truck semi-trailers located on the site.
16.	A decision of 28 May 2021 Valid until 28 May 2031	Sieradz Starost	Feber Sp. z o. o.	Permit for the production of hazardous and non-hazardous waste generated during the operation of a trucks production facility located at the site
17.	A decision of 18 January 2019 Valid until 18 January 2029	State Water Holding "Polish Waters". Ciechanów Water Catchment Board	ILS Logistics Centre in Zakroczym Swobodnia 35 mun. Zakroczym	Water legal permit for the construction of a water facility - rainwater and snowmelt retention reservoir
18.	A decision of 01 March 2019 Valid until 31 May 2034	State Water Holding "Polish Waters". Ciechanów Water Catchment Board	ILS Logistics Centre in Zakroczym Swobodnia 35 mun. Zakroczym	Decision on assumption of rights and obligations under water permit No. 97/2014 for groundwater abstraction - for ILS Sp. z o.o. as legal successor of Inter Cars S.A.
19.	A decision of 12 September 2019	State Water Holding "Polish Waters". Ciechanów Water Catchment Board	ILS Logistics Centre in Zakroczym Swobodnia 35 mun. Zakroczym	A water legal decision for a specific water use involving works or structures permanently connected to the ground which have the effect of reducing the natural field retention.

(in thousand PLN)

25. EVENTS WHICH MAY HAVE A MATERIAL BEARING ON THE COMPANY'S FUTURE FINANCIAL RESULT AND EVENTS SUBSEQUENT TO THE BALANCE-SHEET DATE

The Group does not expect to discontinue any other activities in the next period.

Inter Cars Ukraine LLC

The Russian invasion of Ukraine on 24 February 2022 continues to be a destabilising factor in the economic environment across the region.

As at the date of approval of the financial statements, Inter Cars Ukraine continues to operate in Ukraine, is actively selling and the Company's operations do not constitute discontinued operations.

The Company's Management Board developed a safe way of delivering goods to the western regions of Ukraine, using the existing warehouse infrastructure and at the same time increasing the number of direct deliveries from the central warehouse in Zakroczym, Poland. The high availability of goods and the wide product range translated into a gradual increase in sales of Inter Cars Ukraine. In 2024, Inter Cars Ukraine realised sales of PLN 645 million, and is over 5% more than sales from the same period a year before. In the current reporting period, Inter Cars Ukraine generated a net profit of PLN 26 million.

The assets of Inter Cars Ukraine amount to PLN 157 million, the majority of which are inventories of PLN 118 million and cash of PLN 15 million. The use and transfer of cash in Ukraine is not restricted or subject to any restrictions, therefore the Company's cash is reported under the balance sheet item 'Cash and cash equivalents'. The Company's payables amount to PLN 73 million, with trade payables to external suppliers amounting to PLN 14 million and their balance being settled on an ongoing basis.

The Group analysed the estimate of the allowance for expected credit losses in respect of trade receivables from Ukrainian customers and cash held in banks in Ukraine. An increased level of risk was applied in the expected credit loss model in valuation of the assets. As a result of this analysis, no significant change in the value of the tested assets was identified. Furthermore, the impact of the valuation of the examined assets, due to their low share in the Group's assets, is insignificant. The assets of Inter Cars Ukraine are located primarily in the central and western regions of Ukraine in 35 different locations. The diversification of the location of assets makes it possible to limit the scale of potential damage resulting from Russian aggression in Ukraine and, consequently, to reduce the risk of potential write-downs.

The Group's Management Board is monitoring the Ukrainian company's operations on an ongoing basis and further actions will be taken by the Management Board in accordance with the developments and risks related to the armed conflict.

As at 31 December 2024, the Ukrainian company continues to operate and the Group controls the Ukrainian company and consolidates it using the full method in the financial statements. The Group performed an impairment test on the assets related to the goodwill of Inter Cars Ukraine. No impairment was identified based on the above-mentioned test.

However, the development of the situation is dynamic and unpredictable. In connection with the above, the Company's Management Board analyses on an ongoing basis the situation related to the escalation of the armed conflict in Ukraine and does not rule out that possible new conditions and changes may significantly affect the Company's operations and financial results.

Lauber sp. z o.o.

Following an inspection carried out by a public administration body regarding waste management rules, administrative proceedings were initiated against the subsidiary Lauber Sp. z o.o. to suspend operations, which the administration body suspended at the company's request until the administrative court had resolved the company's complaint regarding the results of the aforementioned inspection. Furthermore, at the company's request, the administrative court suspended the implementation of the post-inspection order challenged by Lauber sp. z o.o..

The case concerns the interpretation of the applicable legislation on the legal qualification of automotive parts to be remanufactured and the industrial remanufacturing process carried out by Lauber sp. z o.o..

Adoption of the interpretation of the regulations questioned by Lauber sp. z o.o. may affect the ability of the parts remanufacturing industry, including the company's facilities in Slupsk, to continue operating to the present extent and may also involve potential financial penalties, the amount of which cannot be reliably estimated.

As at the date of publication of this report, the Group is not aware of any penalty proceedings against the company.

The Group monitors the course of the proceedings and the regulatory environment on an ongoing basis and analyses the potential impact of the pending proceedings on the operations of the remanufacturing segment.

In the opinion of the parent company's management, the operations of Lauber Sp. z o.o. are carried out in accordance with applicable regulations and market practice and therefore no provisions have been recognised in these financial statements in connection with the operations of Lauber Sp. z o.o..

Inter Cars Austria GmbH

On 29 April 2025, a new subsidiary was registered under the name Inter Cars Austria GmbH, based in Vienna.

(in thousand PLN)

26. THE MANAGEMENT BOARD'S STANDPOINT ON THE FEASIBILITY OF MEETING THE PREVIOUSLY PUBLISHED FORECASTS OF FINANCIAL RESULTS FOR 2024

The Group did not publish any forecasts for 2024.

27. CHANGES IN THE COMPANY'S STRUCTURE, NON-CURRENT INVESTMENTS AND RESTRUCTURING

In 2024, no significant changes in the Group's structure occurred. Further information is provided in section 7, "Subsidiaries", report on the Company's activities.

28. MANAGEMENT AND SUPERVISORY BODIES

As at 31 December 2024, the management and supervisory bodies of the Company were composed of the following persons:

Supervisory Board

Andrzej Oliszewski, President
Tomasz Rusak
Jacek Klimczak
Jacek Podgórski
Radosław Kudła

Piotr Płoszajski ceased to be a member of the Supervisory Board on 02 September 2024.

Management Board

Maciej Oleksowicz, President of the Management Board
Krzysztof Soszyński, Vice-President of the Management Board
Wojciech Twaróg, Member of the Management Board
Piotr Zamora, Member of the Management Board
Wojciech Aleksandrowicz, Member of the Management Board

On 8 December 2023, the Supervisory Board of the Company decided to appoint a new member of the Management Board of the Company, Mr Wojciech Aleksandrowicz, as of 1 January 2024, for the current joint four-year term of office of the Management Board of the Company, which started on 31 May 2022. Moreover, the Supervisory Board of the Company took a decision that the Board of Managers shall be composed of five persons.

29. INFORMATION ON COURT PROCEEDINGS TO WHICH THE GROUP IS A PARTY

In 2024, no proceedings were brought before any court or administrative body with respect to any liabilities or claims of Inter Cars S.A. or its subsidiary undertakings, whose aggregate value would represent 10% or more of the Company's equity.

Furthermore, no proceedings are pending before any court or administrative body with respect to any liabilities or claims of Inter Cars S.A. or its subsidiaries whose aggregate value would represent 10% or more of the Company's equity.

Information on average foreign exchange rates

All figures presented in these financial statements in EUR were translated at the following exchange rates:

	2024	2023
Exchange rate as at 31.12	4.2730	4.3480
Average exchange rate from 1.01 to 31.12	4.3042	4.5284
Highest exchange rate in the period	4.4016	4.7895
Lowest exchange rate in the period	4.2499	4.3053

(in thousand PLN)

The following principles have been used to convert data presented in thousand EURO in selected financial data:

- for the items of the profit and loss account – the average exchange rate was used, defined as the arithmetic mean of the rates prevailing on the last day of each month within a given period, as quoted by the National Bank of Poland
- for the items of the balance-sheet – *the exchange rate prevailing on 31/12/2024*, that is the mid exchange rate for the EURO prevailing on that date, as quoted by the President of the National Bank of Poland.

30. KEY RESEARCH AND DEVELOPMENT ACHIEVEMENTS INFORMATION

The Companies forming the Capital Group do not carry out any research and development activities.

31. MANAGEMENT BOARD'S INFORMATION RELATED TO SELECTING AN AUDIT FIRM TO AUDIT THE ANNUAL FINANCIAL STATEMENTS IN CONFORMITY WITH THE REGULATIONS, INCLUDING THOSE RELATED TO THE SELECTION OF AN AUDIT FIRM AND THE SELECTION PROCEDURE

The Management Board of Inter Cars S.A. (the "Company") informs that on 24 May 2023 it became aware that on the same day the Company's Supervisory Board adopted a resolution on the appointment of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k. with its registered office in Warsaw, ul. Inflancka 4A, 00-189 Warsaw, KRS number 0000339379, which is entered on the list of audit firms kept by the Polish Audit Supervision Agency under number 3546 as the audit firm to carry out:

(i) to audit the separate financial statements of the Company and the consolidated financial statements of the Inter Cars S.A. Capital Group for the period from 1 January 2023 to 31 December 2023 and from 1 January 2024 to 31 December 2024; and

(ii) to review the semi-annual condensed financial statements of the Company and the consolidated financial statements of the Inter Cars S.A. Capital Group for the period from 1 January 2023 to 30 June 2023 and from 1 January 2024 to 30 June 2024.

In addition, the Supervisory Board of the Company obliged the Management Board of the Company in its resolution to conclude the relevant agreements with KPMG for the next two years (i.e. 2023-2024). KPMG was hired to audit the separate financial statements of the key entities of the Inter Cars S.A. capital group other than Inter Cars S.A. for the years 2023 and 2024.

The audit firm was selected following the Supervisory Board having read the recommendation of the Audit Committee prepared in conformity with the law and the Company's internal regulations. The audit firm was selected in conformity with the Company's By-laws and the applicable law. The Company used services of KPMG in the area of auditing and reviewing financial statements for the years 2005 - 2015.

These Board's statement on the activity of the group was approved by the Management Board of Inter Cars S.A for publication on 29 April 2024.

32. CORPORATE GOVERNANCE

The full version of the statement of compliance is available at the Company's website at www.intercars.com.pl or the Warsaw Stock Exchange's website at www.gpw.pl.

Full version of the statement is attached to this report as Appendix: "INTER CARS S.A. MANAGEMENT BOARD'S STATEMENT OF COMPLIANCE IN 2024 WITH THE CORPORATE GOVERNANCE PRINCIPLES STIPULATED IN THE CODE OF BEST PRACTICE FOR WSE-LISTED COMPANIES"

(in thousand PLN)

INTER CARS S.A. MANAGEMENT BOARD'S

STATEMENT OF COMPLIANCE IN 2014 WITH THE CORPORATE GOVERNANCE PRINCIPLES STIPULATED IN THE CODE OF BEST PRACTICE FOR WSE-LISTED COMPANIES

1. Corporate Governance Principles Adopted by Inter Cars S.A.

Board of Directors of Inter Cars S.A. ("the Company") informs that, in connection with entry into force of the amended "Code of Best Practice of WSE Listed Companies 2021" adopted by Resolution no. 13/1834/2021 by the WSE Board on 01 July 2021, it adopted the corporate governance principles as laid out in the aforementioned document. The contents of the document are available at the website of the Warsaw Stock Exchange. <http://www.corp-gov.gpw.pl/>.

2. Non-compliance with the corporate governance principles

The Company represents that in 2024 it complied with all the applicable corporate governance principles except for, the following:

Principle 2.1.

A company should have a diversity policy for its management board and supervisory board, adopted by the supervisory board or the general meeting respectively. The diversity policy shall define the objectives and criteria for diversity in areas such as gender, field of study, specialist knowledge, age, and professional experience, and shall indicate the time-frame and method for monitoring the realization of these objectives. With regard to gender diversity, a condition for ensuring the diversity of the company's bodies is that the proportion of minorities in the respective body is no less than 30%.

Explanation: A company does not hold a diversity policy for its Management Board and Supervisory Board adopted by the Supervisory Board or the General Meeting respectively. The Company supports the principle of diversity in its governing bodies and sees value in creating an environment in which the widest possible range (set) of competencies and qualifications is present and each person has the opportunity to fully exploit his or her unique potential. However, the composition of the Supervisory Board is decided by the General Meeting, while the Management Board is appointed by the Supervisory Board. In selecting the members of the bodies, the General Meeting of Shareholders and the Supervisory Board, respectively, are guided primarily by the interests and needs of the Company and, accordingly, the emphasis is placed on competence, expertise, professional experience or knowledge of the industry in which the Company operates. Despite the lack of a policy, the current composition of the Supervisory Board provides diversity both in terms of education, expertise, age and professional experience, and the current composition of the Management Board in terms of education, expertise and professional experience.

Principle 2.2.

Those deciding on the election of the members of the company's management or supervisory board should ensure the comprehensiveness of these bodies by selecting persons to ensure diversity in their composition, making it possible, i.e., to achieve the target ratio of minimum minority participation set at not less than 30%, in accordance with the objectives set out in the adopted diversity policy referred to in principle 2.1.

Explanation: The composition of the Supervisory Board is decided by the General Meeting, while the Management Board is appointed by the Supervisory Board, who are primarily guided by the interests and needs of the Company when selecting the members of the bodies. The current composition of the Supervisory Board ensures diversity in terms of education, expertise, age and professional experience, while the current composition of the Management Board ensures diversity in terms of education, expertise and professional experience.

Principle 2.7.

The performance of functions by Members of the Company's Management Board on the bodies of entities outside the Company's Group requires the approval of the Supervisory Board.

Explanation: The Regulations of the Management Board stipulate the requirement to obtain consent for members of the Management Board to hold functions in competing companies. Taking into account that holding functions in the Management Board of the Company is the main area of professional activity of each Member of the Management Board, possible sitting of members of the Management Board of the Company in bodies of other, non-competitive entities, in the opinion of the Company, will not prevent them from reliable performance of duties in the Company.

Principle 2.11.

In addition to its activities under the law, once a year the Supervisory Board shall prepare and present an annual report to the ordinary general meeting for approval. The above-mentioned report shall include at least:

(in thousand PLN)

2.11.6. information on the degree of implementation of the diversity policy with respect to the management board and the supervisory board, including the achievement of the objectives referred to in principle 2.1.

Explanation: See the explanation to point 2.1.

Principle 3.1.

A listed company shall maintain effective internal control, risk management and compliance systems and an effective internal audit function, appropriate to the size of the company and the type and scale of its business, for which the board of directors is responsible.

Explanation: At the present stage of development, the Company does not apply the said principle to the full extent. Internal control and risk management systems have a dispersed character and are realized by the financial division of the Company, as well as by other organizational units, including operational division. Starting from 2017 the Company has had a programme of the compliance adopted by the Management Board, which in particular includes the Code of Conduct and Good Practice, the Abuse Prevention Policy, the Conflict-of-Interest Prevention Policy, the Confidentiality Policy, the Mobbing Prevention Policy and the Occupational Health and Safety and Environment Protection Policy. The programme is aimed at ensuring the Company's compliance with the law, business standards and other market requirements through appropriate management of the non-compliance risk. Within the programme a process of managing the abuse risk and the conflict of interest has been implemented. The internal audit function was created in the structure of the Company in 2018. In 2024, the formal process of separating the risk management function into the Company's structure began.

Principle 3.2.

The Company creates in its structure the units responsible for the tasks of particular systems or functions, unless this is not justified due to the size of the company or the type of its activity.

Explanation: Internal control and risk management systems have a dispersed character and are realized by the financial division of the Company, as well as by other organizational units, including operational division. The compliance programme operates on the basis of the compliance department, which is part of the Company's legal department. The Company has a separate internal audit department. In 2024, the formal process of separating the risk management entity in the Company's structure began.

Principle 3.4.

Remuneration of the persons responsible for risk management and compliance and the head of internal audit should depend on the performance of the assigned tasks and not on the short-term results of the company.

Explanation: The remuneration of the persons responsible for the systems or functions indicated is based on a fixed base and a bonus, which may depend both on the achievement of certain objectives by these persons and the Company and on the financial results of the Company or its capital group.

Principle 6.2.

Incentive programmes should be structured in such a way that, among other things, they make the level of remuneration of the members of the company's board of directors and its key managers dependent on the actual long-term situation of the company in terms of financial and non-financial performance and long-term growth of shareholder value and sustainable development, as well as the stability of the company's operations.

Explanation: According to the incentive programme for the members of the Management Board, adopted on the basis of a resolution of the Supervisory Board, the bonus system provided for therein is based on a degressive model, where the bonus base is determined as a percentage of the consolidated net profit of the Company's Capital Group resulting from the audited financial statements of the Company's group. For the time being, non-financial performance is not a factor on which management bonuses depend. However, sustainability issues represent an important value for the Company and, despite the fact that these issues are not linked to the management bonus system, the Company annually reviews its operations in terms of non-financial risks and seeks to optimise its performance in these areas

3. Key features of the Company's internal control and risk management systems used in the preparation of separate and consolidated financial statements

The Company's financial statements and periodic reports are prepared by the Chief Financial Officer Accountant in accordance with the applicable laws and regulations and the accounting policies adopted by the Company; the Management

(in thousand PLN)

Board, which is responsible for reliability and accuracy of the prepared information, reviews the financial statements and periodic reports on an ongoing basis.

The financial statements are prepared only by people with access to relevant financial data. The financial data serving as the basis of the financial statements and periodic reports comes from the accounting and financial system which records accounting events in accordance with the Company's accounting policy (approved by the Management Board), which is based on the International Accounting Standards and the International Financial Reporting Standards. The Company monitors on an ongoing basis, changes to laws and regulations on reporting requirements for listed companies, and prepares for their adoption appropriately in advance.

The financial reporting process is also monitored by the Company Supervisory Board Audit Committee, which reviews the interim and annual financial statements of the Company and controls the correctness of particular stages of financial reporting. The Audit Committee is also responsible for verifying the functioning of the financial reporting systems applied by the Company and issuing opinions thereon.

Financial statements approved by the Management Board are subject to approval by an independent auditor - an audit firm selected by the Company's Supervisory Board from among reputed audit firms, having regard for the recommendation of the Supervisory Board Audit Committee.

Based on the circumstances identified in the course of auditing the financial statements, the Company's Financial Division, in cooperation with an audit firm, attempts to prepare recommendations related to improving the Company's internal control system with a view to their potential implementation.

The Financial Division and Division Heads prepare periodic management information reports including an analysis of the key financial data and operating ratios of the business segments, and provide them to the Management Board.

Since the creation of the separate internal audit control unit in 2018, the organization and correctness of preparing the financial statements have also been subject to periodical audits carried out by the said unit.

4. Shareholders directly or indirectly holding significant blocks of shares; numbers of shares and percentages of company's share capital held by such shareholders, and the numbers of votes and percentages of the total vote that such shares represent at the general shareholders meeting [as at the publication date]

No.	Shareholder	Number of shares	Number of votes at GM	% in overall number of voting shares
1.	OK Automotive Investments B.V.*	3,726,721	3,726,721	26.30%
2.	Allianz OFE, Allianz DFE	1,786,446	1,786,446	12.61%
3.	NATIONALE NEDERLANDEN OFE, NATIONALE NEDERLANDEN DFE	1,616,799	1,616,799	11.41%
4.	Andrzej Oliszewski	1,257,370	1,257,370	8.87%
5.	Generali OFE	894,386	894,386	6.31%
6.	OFE PZU	710,750	710,750	5.02%
7.	Other shareholders	4,175,628	4,175,628	29.48%
	Total number of shares / votes	14,168,100	14,168,100	100%

*) OK Automotive Investments B.V. is a company, which is dependent from Maciej Oleksowicz, President of the Management Board of the Company.

The above list of shareholders was prepared based on notifications received in accordance with art. 69 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies (Journal of Laws of 2005, No. 184 item 1539, as amended), and art. 19 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ("MAR Regulation").

5. Holders of any securities conferring special control powers, and description of those powers

There are no securities conferring special control powers over the Company.

(in thousand PLN)

6. Restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities

Pursuant to the resolution, §18a of the Company's Articles, the right of the shareholders holding over 33% of the total number of votes in the Company is limited in such a way as to prevent each of them from casting more than 33% of votes at the General Meeting of the Company. The above limitation shall not apply to determining the purchasers of significant blocks of shares as provided for in the Public Offer of Financial Instruments Act of 29 July 2005.

Furthermore, pursuant to the provisions of the Articles, this limitation shall expire if one of the shareholders purchases (on their own behalf and account) and registers at the General Meeting over 50% of the total number of votes in the Company, provided that all shares above 33% of the total number of shares in the Company and all shares above this threshold are purchased by such shareholder in response to a call to subscribe for all shares of the Company announced in conformity with the Act.

The underlying purpose of the said limitation is to strengthen the minority shareholders in the event of a change in the controlling entity relative to their status guaranteed by the applicable law by providing them with the possibility of disinvestment and an equal participation in the bonus, which the entity intending to take control over the Company shall pay for the controlling interest.

7. Restrictions on limitations of transfer of the property rights to securities of the company

There are no restrictions in the Articles of Association which apply to the shares of the Company.

8. Rules governing the appointment and removal of the company's management personnel and such personnel's powers, including in particular the power to make decisions to issue or repurchase shares

The term of office of the Management Board of the Company is four years. Its members are appointed for a common term and dismissed by a resolution of the Supervisory Board. The Board is composed of three to nine members of the Board. The number of the Members of the Management Board is established by the Supervisory Board. The Member of the Board can be dismissed or suspended also by the General Meeting.

Members of the Management Board may be appointed from among the shareholders or from outside this group. The President and Vice-President of the Management Board are appointed by a resolution of the Supervisory Board. The Supervisory Board adopts a resolution to appoint the President and, possibly, Vice-President of the Management Board. The term of the Member of the Board extinguishes on the day of General Shareholders Meeting which approves financial statement for the last full accounting year when the Member was in term. The mandate of the Member of the Board also becomes void in case of death, resignation or dismissing the Member from his function in the Board.

The mandate of a member of the Management Board expires also as a result of their death, resignation or dismissal. A resolution of the Supervisory Board on suspending, for important reasons, particular members of the Management Board, as well as a resolution on appointing a member of the Board to a temporary term is adopted by a majority of 4/5 of the votes, in the presence of at least 4/5 of the composition of the Supervisory Board.

The members of the Management Board represent the Company in court and outside it. The scope of operation of the Board includes all matters of the Company not reserved for the General Meeting or the Supervisory Board. The Company is represented by two members of the Management Board or one Member of the Management Board together with a proxy.

The Members of the Management Board comply with the existing law, the Articles of Association and the Regulations of the Management Board of Inter Cars S.A, which stipulate the scope of laws and responsibilities of the Board and its operations. These Regulations are adopted by the Management Board and approved by the Supervisory Board. The Regulations of the Management Board are available on the Company's website. Except for the provisions of the Articles of Association and the Rules of Board of Directors, the matters not exceeding the range of standard activities of the Company do not require a resolution of the Board. Should the matter described above be objected by a member of the Management Board before it is realized, it shall need a resolution of the Management Board. The resolutions are adapted by an absolute majority of votes with presence of at least a half of the Members of the Board. The Board Meetings take place not less often than once every two weeks. Members of the Management Board can take part in passing resolutions of the Board by voting in writing, through the other member of the Board. Voting in writing cannot apply to matters being entered into the agenda during the Board Meeting. Resolution of the Board can be passed also in a written form or using means of direct communication at a distance.

Decisions regarding issuing or repurchasing of shares are governed by the provisions of the Commercial Companies Code, however, the General Shareholders Meeting is exclusively authorized to make decisions regarding any changes to the Company's share capital or redemption of shares.

(in thousand PLN)

9. Rules governing amendments to the Company's articles or memorandum of incorporation.

The validity of an amendment to the Company's Articles of Association requires a resolution of general shareholders' meeting, taken by 3/4 majority of vote - article 415 of Code of Commercial Companies (resolution on important change of scope of activities requires a resolution taken by majority of 2/3 votes cast – art. 416 C.C.C.); and entry in the National Court Register (art. 430 C.C.C.).

10. Manner of operation of the general shareholders meeting, its basic powers and description of the shareholders' rights along with the procedure for their exercise, in particular the rules stipulated in the rules of procedure for the general shareholders meeting

The General Shareholders Meeting operates in accordance with the provisions of the Company's Articles of Association, Commercial Companies Code and the Rules of Procedure for the General Shareholders Meeting published on the Company's website.

The General Shareholders Meeting decides on matters stipulated in the Commercial Companies Code, except when under the Company's Articles of Association such matters fall within the scope of powers of the Company's other governing bodies. The following matters require a General Shareholders Meeting's resolution: changing the share capital of the Company and creating, increasing and using other capitals, funds and reserves, issue of convertible bonds or bonds conferring pre-emptive rights, amendments to the Articles of Association, retirement of shares, disposal of the Company's enterprise or its organised part, liquidation, division, merger, dissolution, or transformation of the Company, distribution of profit, coverage of loss, and creation of capital reserves, appointment and removal from office of members of the Supervisory Board, approval of the Rules of Procedure for the Supervisory Board, and establishing remuneration policies for members of the Supervisory Board delegated to perform on-going individual supervision, granting permission to sell or encumber a company or an organized part of a company under the business name Inter Cars Marketing Services Ltd. and granting permission to sell or encumber industrial rights and trademarks under the business name Inter Cars Marketing Services Ltd. and expressing approval for any change in the Company's initial capital, under the business name Inter Cars Marketing Services Ltd. and expressing approval to sell or encumber shares under the business name of Inter Cars Marketing Services Ltd., acquisition and disposal of real estate, perpetual usufruct or an interest in real estate does not require the consent of the General Meeting.

The General Meeting is convened by the Board of Directors or, in cases and following the procedure determined in the Code of Commercial Companies, other entities. The General Meeting may be held in the seat of the Company or in Cząstków Mazowiecki (commune of Czosnów, Mazovian Province) or in Kajetany (commune of Nadarzyn, Mazovian Province). Unless the Code of Commercial Companies or any provisions of the Articles of Association do not provide for stricter conditions, the resolutions of the General Meeting are adopted with an absolute majority of votes.

11. Composition and activities of the issuer's management, supervisory and administrative bodies or of their committees; changes in their composition in the last financial year

11.1. Composition and Rules governing the operation of the Management Board

As at 1 January 2024 and 31 December 2024, the following people composed the Board of Managers:

- 1) Maciej Oleksowicz – President of the Management Board;
- 2) Krzysztof Soszyński – Vice-President of the Management Board;
- 3) Wojciech Twaróg - Member of the Management Board;
- 4) Piotr Zamora – Member of the Management Board;
- 5) Wojciech Aleksandrowicz - Member of the Management Board.

All other information on the rules of operations of the Board of Directors were included in point 8 above.

11.2. Composition and rules governing the operation of the Supervisory Board and its committees

As at 1 January 2024, the following people composed the Supervisory Board:

- 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

Mr Piotr Płoszajski's mandate as a member of the Supervisory Board expired on 2 September 2024 as a result of his death.

(in thousand PLN)

As at 2 September 2024, the following people composed the Supervisory Board:

- 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) Jacek Klimczak – Member of the Supervisory Board

As at the date of publication of these financial statements the personal composition of the Supervisory Board remained unchanged.

In 2024, the Supervisory Board held six meetings.

The Supervisory Board is composed of five to thirteen members, appointed by the General Shareholders Meeting, which also appoints the Chairman of the Supervisory Board. From among other members, the Supervisory Board appoints the Vice-Chairman. The Supervisory Board appoints Deputy Chairman from among other members of the Supervisory Board. The number of members of the Supervisory Board is fixed by the General Meeting. In the event of block voting, the Supervisory Board is composed of thirteen members. Term of office of the Supervisory Board is 5 years and is common for all members. Members of the Supervisory Board can be appointed for subsequent terms.

The Supervisory Board adopts resolutions by an absolute majority of votes, in the presence of at least half of the members. A resolution may only be considered valid if all members of the Supervisory Board have been invited to the meeting. Meetings of the Supervisory Board are held at least once a quarter. Meetings shall be convened by written notice stating the place, time, proposed agenda for the meeting and the means of direct remote communication to be used during the meeting and delivered to all members at least 7 days before the date of the meeting. Meetings of the Supervisory Board are convened by its Chairman on their own initiative or at the request of a member of the Supervisory Board. The Supervisory Board may adopt resolutions without holding a meeting, by casting votes in writing or using means of remote communication, provided that all members of the Supervisory Board have received the draft of the resolution which is to be voted upon and have agreed to such manner of voting and at least half of the members of the Supervisory Board took part in the voting.

Resolutions of the Supervisory Board regarding the suspension from duties of a member of the Management Board for a good reason, as well as resolutions regarding the delegation of a Supervisory Board member to temporarily perform the duties of a Management Board member, are adopted by a majority of 4/5 of the votes cast in the presence of no less than 4/5 of the Supervisory Board members.

The Supervisory Board exercises supervision over the Company's activities in the manner stipulated in the Commercial Companies Code, the Company's Articles of Association and the Rules of Procedure for the Supervisory Board adopted by the General Shareholders Meeting. The scope of powers of the Supervisory Board includes in particular: reviewing the Company's financial statements, the Directors' Report and the Management Board's recommendations concerning the distribution of profit or coverage of loss, and submitting an annual report on the findings of the above review to the General Shareholders Meeting, selecting an auditing company to audit the Company's financial statements, appointing members of the Management Board and removing them from office, appointing the President of the Management Board and (optionally) Vice-President of the Management Board from among its members, concluding contracts with members of the Management Board, establishing remuneration policies for members of the Management Board, and granting consent to acquire or dispose of real property, perpetual usufruct right to or interest in real property.

Audit Committee

On 25 September 2017, the Supervisory Board appointed an Audit Committee of the Supervisory Board of the Company.

As at 1 January 2024 the following Members of the Supervisory Board composed the Audit Committee of the Company:

- 1) Radosław Kudła – Chairman of the Committee;
- 2) Andrzej Oliszewski – Member of the Committee;
- 3) Jacek Podgórski – member of the Committee.

As at the date of publication of these financial statements the personal composition of the Supervisory Board Audit Committee remained unchanged.

The Audit Committee is composed of at least three members, including the Chairman of the Audit Committee, appointed by the Supervisory Board from among its members.

The majority of the members of the present Audit Committee, including its Chairman, meet the independence criterion within the meaning of Art. 129.3 of the Act on Statutory Auditors, Audit Companies and Public Supervision of 11 May 2017 (hereinafter referred to as "the Act"), at least one member has the knowledge and the skill related to accounting or auditing financial statements, and at least one member has the knowledge and the skill related to the automotive industry.

(in thousand PLN)

	<i>Meets the independence criterion within the meaning of Art. 129.3 of the Act</i>	<i>Has the knowledge and the skill related to accounting or auditing financial statements</i>		<i>Has the knowledge and the skill related to the automotive industry</i>	
		<i>Meets the criteria</i>	<i>Acquisition method</i>	<i>Meets the criteria</i>	<i>Acquisition method</i>
Andrzej Oliszewski	no	no	-	Yes	graduated from the Production Economics Department of the Warsaw School of Planning and Statistics (currently Warsaw School of Economics); co-founder of Inter Cars, since 1990 present in the automotive business, first as a partner at Inter Cars Partnership, since 1990 member of the Supervisory Board of Inter Cars S.A.
Jacek Podgórski	yes	yes	graduate of the University of Lodz, Faculty of Economic and Social Sciences; completed post-graduate studies at the University of Warsaw in the field of management, attended numerous training courses in finance, tax law and management, as part of his professional duties, among other things, he supervised the restructuring processes of capital groups, managed liquidity, credit and currency risks, was responsible for the bank's syndicated loan portfolio and financing companies from the large enterprise sector.	No	-
Radosław Kudła	yes	yes	Graduate of Szkoła Główna Handlowa (SGH Warsaw School of Economics), faculty: Finance and Banking. Holds a title of CFA Charter holder, and took part in numerous trainings in the valuation of derivatives and structured products. Professional experience gathered in financial institutions, including 6 years as a member of the Management Board of national bank.	No	-

The Audit Committee meetings are held at least four times a year.

In 2024, the Audit Committee held eleven meetings.

The opinions and recommendations of the Audit Committee are adopted in the form of resolutions. The resolutions are adapted by an absolute majority of votes with presence of at least a half of the Members of the Audit Committee. Resolution of the Committee can be passed also in a written form or using means of direct communication at a distance.

The Audit Committee of the Supervisory Board is appointed to supervise the financial reporting process, including sustainability reporting, the efficiency of the internal control systems, the internal audit and risk management, as well as to monitor the financial revision activities and sustainability reporting certification.

In performance of its duties, the Audit Committee may demand that the Company provide explanations, information or submit the required documentation.

In 2024, the entities belonging to the audit company, KMPG AUDYT Spółka z ograniczoną odpowiedzialnością Sp. k., having its registered seat in Warsaw, provided to the companies from the Inter Cars S.A. Capital Group allowed services other than an audit. The Audit Committee evaluated the independence of the audit firm and each time expressed its consent for the performance of such services.

(in thousand PLN)

Underlying assumptions behind appointing an audit firm:

- (i) ensuring a transparent, reliable and fair selection of an audit firm, conforming to the principle of rotation of an audit firm and a key chartered accountant;
- (ii) carrying out of an audit firm selection process by the Audit Committee and preparing recommendation for the Company's Supervisory Board on selection of an audit firm, which, if not related to a renewal of an audit order, includes no fewer than two audit firms to choose from, a justification and an indication of why one of them is preferable;
- (iii) selecting an audit firm by the Supervisory Board based on the recommendations of the Audit Committee.

The underlying assumptions of provision by the audit firm, the entities related to such audit firm or a member of such audit firm's chain, of permitted services other than an audit:

- (i) ensuring compliance with respect to ordering and provision of permitted services other than an audit;
- (ii) having in place a procedure of acceptance of provision by an audit firm of permitted services other than an audit, requiring a consent of the Audit Committee expressed against an application filed by a company from the Inter Cars S.A. Capital Group; identification of persons responsible for specific activities to be carried out when purchasing permitted services other than an audit.

On 24 May 2023, the Company's Supervisory Board, upon the recommendation of the Audit Committee, adopted a resolution to appoint KPMG AUDYT spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw, ul. Inflancka 4a, 00-189 Warsaw, which is entered on the list of audit firms maintained by the Polish Audit Supervision Agency under number 3546 ("KPMG") as the audit firm to:

1. audit the separate financial statements of the Company and the consolidated financial statements of the Inter Cars S.A. Capital Group for the period from 1 January 2023 to 31 December 2023 and from 1 January 2024 to 31 December 2024; and
2. to review the separate financial statements of the Company and the consolidated financial statements of the Inter Cars S.A. Capital Group for the period from 1 January 2023 to 30 June 2023 and from 1 January 2024 to 30 June 2024.

The audit firm was selected following the Supervisory Board having read the recommendation of the Audit Committee prepared in conformity with the law and the Company's internal regulations. The audit firm was selected in conformity with the Company's By-laws and the applicable law.

12. Description of the diversity applied with respect to the administrative, managing and supervisory bodies of the issuer with regard to aspects such as age, sex or professional education, goals of the diversity policy, the method of its implementation and its effects during the reporting period; if the issuer does not apply such policy, it should provide a statement explaining the reasons for doing so.

The Company does not have in place any defined policy of diversity applied with respect to administrative, managing and supervisory bodies. The decision not to prepare the policy results from the Company's many years of experience in managing human resources, which proves that natural selection of staff based on market mechanisms, without applying any special preferential terms or restrictions, allows the Company to maintain a strongly motivated and efficient team of employees. The criteria applied by the Company with respect to hiring staff, including managerial staff, are satisfactory from the point of view of the diversity criterion.

In addition, the Company applies and acts in conformity with the applicable regulations and internal rules governing this area, such as the Code of Conduct and Good Practices. The Code implements the principle of equal treatment irrespective of sex, age race, point of view, health, trade union membership, employment record, appearance or sexual orientation. Furthermore, the Company applies clear and fair promotion criteria.

13. Sponsorship and charity activities

Social activities are an integral part of the Inter Cars Group's operations at all locations where it operates. In order to maximise positive social impact, the Inter Cars Foundation was established in 2021 with the mission to support the development of accessible, safe and responsible mobility, for people and the climate.

The Foundation's main areas of activity include the development of future competences, road safety, health protection and environmental concerns.

Two of the Foundation's original initiatives deserve special attention:

Accelerator – an educational and scholarship programme aimed at providing development, educational and financial support to young people who see their future in the automotive and logistics industries.

Drogowskaz - a grant programme aimed at educating children and young people on improving road safety (RS).

(in thousand PLN)

The Inter Cars Group has donated funds to the Foundation's start-up fund and has determined the amount of financial and in-kind donations to be made to achieve its statutory objectives. The amount of support is dependent on the Group's consolidated net profit for the previous financial year. The Foundation's financial statements and detailed Activity Reports are published annually on the Foundation's website.¹

In addition, Inter Cars Group:

- takes action in response to unforeseen events (such as providing aid to Ukraine or supporting communities affected by flooding),
- implements local community initiatives (including in-kind and financial collections),
- sponsors sporting events and supports aspiring and active motor-sporters.

In accordance with the provisions of the Group's Anti-Fraud Policy, political donations to or on behalf of the Company or its subsidiaries are prohibited. The implementation of major charitable projects and sponsorships requires the approval of the Company's General Counsel. In 2024, none of the Group companies made in-kind or financial donations to political parties, politicians or institutions of a similar nature.

Expenditure by the Group incurred in supporting charity organizations, community organisations in the fields of social welfare, education, health, culture, sporting and other activities

	2024	2023
Donations	4,028	3,970
- including donations to the Inter Cars Foundation	3,673	3,640
Sponsorship activities	939	1,102

¹ LINK: reports available on the Inter Cars Foundation website - <https://fundacja.intercars.eu/o-fundacji/dokumenty/>



INTER CARS CAPITAL GROUP S.A.
SUSTAINABILITY STATEMENT
IN THE YEAR ENDED ON 31 December 2024



This document is a pdf copy of the official annual report, which was produced in xhtml format.

(in thousand PLN)

INTER CARS GROUP SUSTAINABILITY STATEMENT

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(in thousand PLN)

1. GENERAL DISCLOSURES [ESRS 2]

1.1. BASIS FOR PREPARATION

GENERAL BASIS FOR PREPARATION SUSTAINABILITY STATEMENTS [BP-1]

This is the eighth time that the Inter Cars Capital Group has disclosed sustainability information as part of its annual reporting. This document presents qualitative and quantitative data for the period from January 1, 2024, to December 31, 2024, unless otherwise stated. The *Consolidated Annual Report for 2024*² covers the same period, as the Inter Cars Group reports its sustainability and financial activities on an annual basis.

The Inter Cars Group's reports comply with the *Accounting Act of 29 September 1994*. For the reporting periods covering the years 2017–2023, the *Sustainability Reports* were prepared in accordance with *Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, amending Directive 2013/34/EU as regards the disclosure of non-financial and diversity information by certain large undertakings and groups* (also referred to as the *Non-Financial Reporting Directive or NFRD*), and in conformity with the *Global Reporting Initiative Standards (GRI Standards 2021)*.

The *Sustainability Statement* for 2024 was prepared with reference to *Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU, as regards corporate sustainability reporting (Corporate Sustainability Reporting Directive – CSRD)*, based on the *European Sustainability Reporting Standards (ESRS)*. This report complies with the requirements specified in the *Act of December 6, 2024, amending the Accounting Act, the Act on Statutory Auditors, Audit Companies and Public Oversight, and certain other acts*.

As the Inter Cars Group meets the requirements indicated in the aforementioned legislation, it is subject to the taxonomy disclosure obligations resulting from *Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020*, and five delegated regulations³.

Scope of consolidation

The scope of consolidation of the Sustainability Statement is identical to that of the *Consolidated Annual Report for 2024*. In this report, "Inter Cars S.A." refers to the holding company, whereas the "Inter Cars Group" refers to the holding company together with its consolidated subsidiaries. A detailed list of the consolidated companies is included in section 7 of the *Consolidated Annual Report for 2024*.

The disclosures exclude OOO Inter Cars Automobilna Technika, as the company had never become operational and was deleted from the register of companies in January 2024. The jointly controlled companies Intermeko Europa Sp. z o.o. and DANXILS Sp. z o.o., as well as the affiliated company Partslife International Kft, have not been identified as material, therefore they have been excluded from *Sustainability Statement*, the Group also does not have operational control over the indicated companies, therefore environmental data has not been disclosed

A materiality study was carried out in 2024 with regard to the ESRS standards and the *Double Materiality Assessment (DMA)* described therein. The study identifies a range of material sustainability matters across the Group's value chain, both upstream and downstream.

² Consolidated Annual Report means the financial statements of the Inter Cars Group.

³ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 and Commission Delegated Regulation (EU) 2022.1214 of 9 March, 2022.

(in thousand PLN)

Depending on the results of the double materiality test and the topics presented in the report, the policies, objectives, activities, and metrics relate either exclusively to the Inter Cars Group's own activities or extend to include the value chain, as indicated in the respective disclosures. In the report, the disclosures relating to the value chain are included in chapter 2.2 *Climate change* [ESRS E1], in disclosures relating to Scope 3 emissions, in chapter 2.3. *Resource use and circular economy* [ESRS E5], in disclosures describing the actions taken, in chapter 3.2. *Workers in the value chain* [ESRS S2] and in chapter 4.2. *Customers* [own disclosure C1] in the disclosures describing policies, objectives, activities and measures.

The Group has not made use of the option to leave out specific information concerning intellectual property, know-how or the results of innovation⁴. The Group has also not made use of the exemption under *Art. 19a(3) and Art. 29a(3) of Directive 2013/34/EU*.

DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES [BP-2]

The Inter Cars Group has adopted the definitions presented in ESRS 1, section 6.4, "Definition of short-, medium-, and long-term for reporting purposes." The data presented in the Report are consistent with these definitions⁵. Where other time perspectives apply, this is indicated in the disclosure of individual ESRS thematic scopes.

Information on the sources of estimates and uncertainties in the results is disclosed in chapter 2.2. *Climate Change* [ESRS E1], in disclosure E1-6 *Scope 1, 2 and 3 gross greenhouse gas emissions and total greenhouse gas emissions* and in chapter 2.3. *Resource use and circular economy* [ESRS E5], in disclosure E5-5 *Resources discharged*. The Group uses the estimates to report selected data points, the estimates of Scope 3 greenhouse gas emissions are characterized by a high level of measurement uncertainty.

This is the first report prepared by the Inter Cars Group in accordance with the ESRS standards. Comparative data is presented in chapter 2.2 *Climate Change* [ESRS E1]. There has been a change to the list of companies included in the published disclosure. A detailed explanation to this effect is provided in chapter 2.2.

Where the Group has chosen to incorporate information by reference, the exact location of the referenced information⁶ is indicated each time.

In its *Report for 2024*, the Inter Cars Group applied the exemptions indicated in Appendix C to ESRS 1. The following information shall not be disclosed herein:

⁴ As per ESRS 1 7.7., classified and sensitive information, and information on intellectual property, know-how or results of innovation.

⁵ The concept of short-term time perspective covers the period used as the reporting period; medium-term time perspective is the period from the end of the short-term reporting period to five years; Long-term timeframe: more than five years.

⁶ According to ESRS 1 9.1 "Incorporation by reference".

(in thousand PLN)

List of disclosure exemptions applied by the Inter Cars Group

ESRS	Disclosure requirement	Full name of the disclosure requirement	Information on phased-in introduction or implementation (including the first step)
ESRS 2	SBM-1	Strategy, business model and value chain	The entity shall report the information set out in <i>ESRS 2 SBM-1(40)(b)</i> (breakdown of total revenues by significant ESRS sectors) and <i>(40)(c)</i> (list of additional significant ESRS sectors) as from the date of application specified in the Commission delegated act to be adopted pursuant to <i>point (ii) of the third subparagraph of Article 29b(1) of Directive 2013/34/EU</i> .
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	The undertaking may omit the information prescribed by <i>ESRS 2 SBM-3 paragraph 48(e)</i> (anticipated financial effects) for the first year of preparation of its sustainability statement. The undertaking may comply with <i>ESRS 2 SBM-3 paragraph 48(e)</i> by reporting only qualitative disclosures for the first 3 years of preparation of its sustainability statement, if it is impracticable to prepare quantitative disclosures.
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	The undertaking may omit the information prescribed by <i>ESRS E1-9</i> for the first year of preparation of its sustainability statement. The undertaking may comply with <i>ESRS E1-9</i> by reporting only qualitative disclosures for the first 3 years of preparation of its sustainability statement, if it is impracticable to prepare quantitative disclosures.
ESRS E5	E5-6	Anticipated financial effects from resource use and circular economy-related risks and opportunities	The undertaking may omit the information prescribed by <i>ESRS E5-6</i> for the first year of preparation of its sustainability statement. The undertaking may comply with <i>ESRS E5-6</i> by reporting only qualitative disclosures, for the first 3 years of preparation of its sustainability statement.

The scopes covered by ESRS E1, E5, S1, S2, G1 were found material following the materiality assessment and are disclosed in this *Statement*.

(in thousand PLN)

1.2. SUSTAINABILITY MANAGEMENT

THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES [GOV-1]

The highest authority of the Company is the General Meeting, which, among other things, elects the members of its Supervisory Board. The detailed competences of the General Meeting are defined in the *Articles of Association of Inter Cars S.A.* The rules of participation in the General Meeting and the exercise of voting rights are regulated by the *Rules of Procedure of the General Shareholders' Meeting*, which also contains provisions concerning the procedure for convening and cancelling the General Meeting, its opening, conduct and holding Supervisory Board elections. Matters brought before the General Meeting are reviewed by the Supervisory Board.

The Supervisory Board of Inter Cars S.A. exercises permanent oversight over the functioning of the Company in all aspects of its operation. The Chairman of the Board is elected by the General Meeting and serves a five-year term. At present, the Supervisory Board is composed of five members, of which two (40%) meet the criteria stipulated for independent members of the Supervisory Board. In 2024, the Board was composed exclusively of men.

In 2024, the composition of the Supervisory Board changed. On 2 September 2024, the mandate of Mr. Piotr Płoszajski as a Member of the Supervisory Board expired due to his death.

As at 31 December 2024, the composition of the Supervisory Board was as follows:

- **Andrzej Oliszewski**, Chairman,
- **Jacek Klimczak**,
- **Radosław Kudła**, meets the independence criteria,
- **Jacek Podgórski**, meets the independence criteria,
- **Tomasz Rusak**.

Competences of the Supervisory Board:

- election of the Company's Management Board,
- assessment of the Company's financial statements,
- assessment of the Management Board's report,
- assessment of the management board's proposals for the distribution of profits and coverage of losses,
- reporting to the AGM on the aforementioned assessments,
- selection of the auditor to audit the financial statements,
- establishing the principles for determining the remuneration of the Management Board.

The Chairman of the Supervisory Board is not a member of senior management in the Inter Cars Group.

The role of the Supervisory Board in the area of sustainability

The Management Board's actions regarding sustainability matters are subject to evaluation by the Supervisory Board, which exercises permanent oversight over all areas of the Company's activities. Sustainability issues are discussed during Supervisory Board meetings. In addition, the Supervisory Board prepares and presents annual reports to the General Meeting. These reports evaluate the Company's overall situation, including its internal control systems, risk management, compliance, internal audit function, disclosure obligations, and the rationality of its sponsorship and charity policies. As part of monitoring the effectiveness of these systems, the persons responsible for internal audit submit an annual report to the Supervisory Board.

The **Management Board of Inter Cars S.A.** serves as the managing and executive body of the Company. Two members of the Management Board acting jointly or a member of the Management Board acting jointly with a proxy are required to make and sign declarations on behalf of the Company. The term of office of the Management Board is four years, the current one commencing on 31 May 2022. The composition of the Management Board is decided by the Supervisory Board in accordance with the generally applicable law and the Company's Articles of Association.

(in thousand PLN)

As at 31 December 2024, the composition of the Management Board was as follows:

- **Maciej Oleksowicz** - President of the Management Board,
- **Krzysztof Soszyński** - Vice-President of the Management Board,
- **Wojciech Twaróg** – Member of the Management Board,
- **Piotr Zamora** - Member of the Management Board,
- **Wojciech Aleksandrowicz** - Member of the Management Board.

The Company does not pursue a diversity policy regarding the Management Board; in 2024, it was composed exclusively of men. However, the current composition of both the Management Board and the Supervisory Board ensures diversity in terms of education, expertise, and professional experience. Detailed information on the competences and biographies of the individual members is available on the Investor Relations website⁷. Serving on the Company's Management Board is the principal professional activity for each member.

Among the members of the Management Board or Supervisory Board, there are no representatives of employees, external stakeholders or under-represented social groups.

The method by which the management and supervisory bodies determine the targets related to material impacts, risks and opportunities, is set out in disclosure GOV-2.

Audit Committee

In 2017, the company set up a **Supervisory Board Audit Committee** to oversee the financial reporting and internal control, internal audit and risk management system. The Committee also monitors the financial review processes. The Supervisory Board Audit Committee is composed of at least three members, including the Chairman of the Audit Committee, appointed by the Supervisory Board from among its members.

As at 31 December 2024, the Committee's composition was as follows:

- **Radosław Kudła** - Chairman,
- **Andrzej Oliszewski**,
- **Jacek Podgórski**.

Senior management's sustainability knowledge

Representatives of the Management Board and selected representatives of the senior management attend events organised by the automotive industry associations, such as FIGIEFA, SDCM, FAAS, where, among other things, the most important sustainability matters concerning the industry are discussed. In 2024, these included, among other things:

- Automechanika Frankfurt,
- FIGIEFA 2024 conference,
- 19th Congress of the Automotive Industry and Market,
- FAAS Sustainability Day,

where the following topics were discussed: trends and impacts of the geopolitical situation on the automotive industry and aftermarket, decarbonisation of the sector, transport electrification, circular economy, car life cycle, remanufacturing of spare parts, reverse logistics of remanufactured part cores, waste management, road safety, challenges facing garages, reporting on sustainability matters in relation to CSRD.

In addition, the members of the Management Board and top management have access to the latest sustainability knowledge provided during meetings organised by the ESG Department. In 2024, they focused, among other things, on issues related to

⁷ Biographies of the Management Board and the Supervisory Board can be found on the Investor Relations website: <https://inwestor.intercars.com.pl/en/about-us/management-board/>.

(in thousand PLN)

carbon footprint, decarbonisation, sustainability reporting, as well as the related regulations and recognised areas of impact, risks and opportunities.

Inter Cars Group operates the ESG Department reports to the Managing Director of Corporate and Legal, who also serves as the General Counsel, who reports directly to the President of the Management Board. The department consists of highly qualified experts in the area, having the knowledge and experience required to properly manage the recognised impacts, risks and opportunities.

The scheme for reporting on sustainability matters and the implementation of the *Sustainability Strategy* are presented in disclosure GOV-2.

INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES [GOV-3]

Sustainability matters were not included in 2024 with regard to the remuneration of the members of the Supervisory Board and the Management Board.

INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES [GOV-2]

Responsibility for sustainability

The *Inter Cars Group's Sustainability Strategy* is a set of commitments, targets and projects addressing recognised impacts, risks and opportunities, sponsored by the Management Board of Inter Cars SA. The following is assigned to each of the commitments:

- oversight by one or more members of the Management Board,
- business owners (senior management representatives),
- targets for monitoring the degree to which the commitments are met,
- list of projects and timetables to ensure that the targets are met,
- project coordinators and thematic teams.

Supervision over the implementation of sustainability projects and coordination of the work on the *Strategy* is the responsibility of the Managing Director of Corporate and Legal, reporting to the President of the Management Board. To effectively manage the Group's sustainability, the ESG Department coordinates the activities related to implementing, announcing and reporting on the *Sustainability Strategy*. These matters are reported to the Management Board at least twice a year.

The role of the key management bodies in sustainability efforts

The Company's Management Board is responsible for reviewing and approving the published *Reports* and making strategic decisions with regard to sustainability - also in terms of assessing impacts, opportunities and risks. The Management Board adopts and regularly reviews the status of its *Sustainability Strategy*, with individual members overseeing the implementation of the commitments arising from it. The Management Board members receive regular updates on the status of projects arising from the *Strategy* and actively participated in the dual materiality assessment process in 2024.

Updates on priorities, objectives and actions are communicated regularly also to all middle and senior management. In 2024, 3 meetings were held to discuss the progress in implementing the *Sustainability Strategy* and the conclusions drawn from the reporting process for 2023.

The structure defined this way is capable of ensuring the integrity of the ESG topics, including impacts, risks and opportunities (IRO), with the day-to-day decisions and business objectives, ensuring sustainability of the Inter Cars Group. The IRO list is included in the SBM-3 requirement.

(in thousand PLN)

STATEMENT ON DUE DILIGENCE [GOV-4]

The *Inter Cars Group's Due Diligence Policy* is detailed in chapter 4.1 *Business conduct [ESRS G1]*

Underlying elements of the due diligence process	Elements in the sustainability statement
Embedding due diligence in governance, strategy and business model.	S1-1, S2-1, G1-1
Engagement with affected stakeholders at all key stages of the due diligence	S1-2, S2-2
Identifying and assessing adverse impacts	IRO-1, SBM-3
Taking action to address those adverse impacts	E1, E5, S1-4, S2-4, self-disclosure CS1 – Cybersecurity and data security
Tracking the effectiveness of these efforts and communicating	The Inter Cars Group shall start tracking the effectiveness of the due diligence processes undertaken in 2025, as the <i>Inter Cars Group's Due Diligence Policy</i> was adopted in 2024.

RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING [GOV-5]

Approach to sustainability risk identification and management, including reporting, are an integral part of the Inter Cars Group's risk management system. The overall management of this area in the Inter Cars Group is the responsibility of:

- the Management Board of the Company, in cooperation with the Supervisory Board,
- the Audit Committee of the Supervisory Board,
- the Risk Management Committee (chaired by the President of the Management Board).

The objective of the Risk Management function is to increase the probability of achieving the objectives set in the *Business Strategy* and the *Sustainability Strategy*. The Inter Cars Group applies a *Risk Management Policy*, which details the objectives, assumptions and risk management model, as well as the key roles and responsibilities in this area. *The policy* has been approved by the Management Board of the Company and is subject to changes with a view to adapting to regulatory requirements and the changing business environment.

The Inter Cars Group's risk management process is based on the ERM (*Enterprise Risk Management*) framework. This provides the opportunity to apply a uniform and integrated approach to managing operational and sustainability risks.

The risk management system is based on:

- the organisational structure, which includes the division of competences and tasks carried out by the companies' statutory bodies, as well as the organisational units and projects;
- the risk management process, including methods for identifying, measuring and assessing risks, mitigating actions, monitoring, controlling and reporting risks;
- the collaboration of the business teams with the regulatory and compliance team, including regular communication.

At Inter Cars, a review of operational and sustainability risks is conducted at least once a year. Sustainability risks have been assessed according to a methodology adapted to the requirements of the CSRD⁸ Directive and the new ESRS⁹ reporting standards, described in detail in chapter 1.5 . *Managing of material impacts, risks and opportunities* in disclosure IRO-1.

⁸ Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU as regards corporate sustainability reporting.

⁹ European Sustainability Reporting Standards.

(in thousand PLN)

The Risk Management Committee is informed about the effects of monitoring and regular reviews of the risk map. The risk management process is overseen by the Risk Management Committee and the status of its implementation is reported periodically to the Audit Committee.

Reporting control system

Comprehensive oversight of the sustainability reporting process and double materiality testing is the responsibility of the Managing Director of Corporate and Legal, who reports to the President of the Management Board.

In terms of taxonomic disclosures, the Inter Cars Group Financial Reporting and Consolidation Department Director is responsible for overseeing the process, reporting to the Board Member - Chief Financial Officer.

The reporting process at Inter Cars Group has a multi-step verification process at the level of individual disclosures by:

- business owner of the subject being disclosed,
- ESG Manager and Sustainability Deputy Director,
- Managing Director of Corporate and Legal – to whom ESG Departments is subordinate, including the preparation of the *Sustainability Statement*.

The Statement is approved by the Management Board of Inter Cars S.A. before publication.

As part of the internal control and continuous improvement process for sustainability reporting, a summary report is prepared for the Management Board of Inter Cars S.A. after the end of each reporting period and the publication of the *Statement*, outlining the opportunities, risks and lessons learned from the reporting process, including the progress of the independent attestation process.

Since 2023 onwards, the *Sustainability Statement* has been subject to independent external verification, and for 2024, it was carried out by KPMG Audyt Sp. z o. o. Sp. k. Sp. k. The results of the audit are presented to the Management Board of Inter Cars S.A. and the Audit Committee.

Identified risks and mitigating actions can be found in Chapter 1.5 *Management of material impacts, risks and opportunities*.

1.3. STRATEGY

STRATEGY, BUSINESS MODEL AND VALUE CHAIN [SBM-1]

The core business of the Inter Cars Group is the distribution and sale of spare parts. The Group's offerings include over 5.97 million products, including spare parts for passenger and commercial vehicles, batteries, tyres, oils, as well as parts for motorbikes, agricultural and industrial machinery, garage equipment, accessories for drivers, and products for the marine industry. The Inter Cars Group provides garages with everything they need to repair vehicles: software, training, and financing.

Key companies of the Inter Cars Group¹⁰:

Inter Cars S.A.: the parent company of the Group, with its head office in Warsaw. Listed on the Warsaw Stock Exchange since 2004.

In addition to the parent company, the Group consists of 28 distribution subsidiaries¹¹, as well as:

¹⁰ The above-mentioned companies present a comprehensive description of the activities carried out by Inter Cars Group; no exclusion was made to describe only companies accounting for more than 10% of the company's revenue or companies associated with significant and potentially negative impacts.

¹¹The distribution subsidiaries are listed in the *Consolidated Annual Report for 2024*, in the section *Information on Inter Cars S.A.*, point 7.

(in thousand PLN)

- ILS Sp. z o.o.: responsible for providing comprehensive logistics services related to warehousing and handling of goods for the Inter Cars Group and external companies, operates in Poland, Croatia, Romania and Latvia.
- Lauber Sp. z o.o.: specializes in remanufacturing of automotive parts. The parts remanufactured by Lauber meet the new product standards and come with a two-year warranty.
- Q-service Truck Sp. z o.o.: operates a garage specializing in the inspection and repair of commercial vehicles (authorised to repair ZF gear boxes). The company is authorised to distribute Ford vehicles and develop a dealership chain for Ford Trucks in Poland and is a dealer of Isuzu vehicles.
- Armatus Ltd: specializes in the distribution of trucks and cargo vans by BYD Trucks, one of the global leaders in the production of zero-emission vehicles.
- Inter Cars Fleet Services Sp. z o.o.: specializes in car fleet repairs.
- Inter Cars Marketing Services Sp. z o.o.: created to coordinate and integrate all communication and image-building activities of the Inter Cars Group.
- Feber Sp. z o.o.: specializes in the production of vehicles, offering, among other things, tippers with aluminium and steel bodies, drop-side, specialised and export semi-trailers, trailers and two-axle trailers. The company also rents specialized vehicles and carries out post-collision repairs.

The Inter Cars Group trades in both new and remanufactured parts, which it primarily supplies to garages.

The Group's main distribution segments are as follows:

- PKW (parts for passenger cars),
- LKW (parts for trucks),
- Body parts,
- Tyres,
- Batteries,
- Oils,
- Garage equipment,
- Accessories,
- Off highway (parts for agro and construction vehicles),
- Moto parts,
- Industry ,
- Tuning,
- Marine.

Business strategy

The Inter Cars Group is driven by the scale of its operations and focuses on smaller, specialised business segments.

The primary strategic objective of Inter Cars S.A. is to build shareholder value through the optimal use of available intellectual and material resources and the implementation of development programmes in areas related to the Company's services. The company's priorities are as follows:

Assortment development - focused on the constant development of the assortment, the company constantly introduces new and develops existing assortment lines and adapts them to the market expectations in terms of part quality, prices and technical support from part manufacturers..

Development of the distribution network in Poland and abroad - At the end of 2024, the Inter Cars Group operated 664 branches, including 246 in Poland. The company provides organizational and logistic knowledge, capital, IT systems, full assortment and its availability, as well as the trademark. The strategic goal is the continuous development of the distribution network built so far and so effectively.

Logistics - Another element of building Inter Cars' competitive advantage is the continuous improvement of the supply chain and logistics services. As part of Inter Cars, there is a specially dedicated company ILS sp. z o.o. (ILS), which acts as a specialized logistics entity. Its task is to organize the flow of goods from producers to the subsidiaries of Inter Cars.

(in thousand PLN)

Development of affiliate programs - Partner programs add value to the product offering, such as workshop equipment programs, training, technical service, development of IT systems to support sales and the continuous development of the Motointegrator Partner workshop network (Q-Service Castrol, Networks of parts manufacturers such as Bosch Car Service, Premio) and Q-Service Truck.

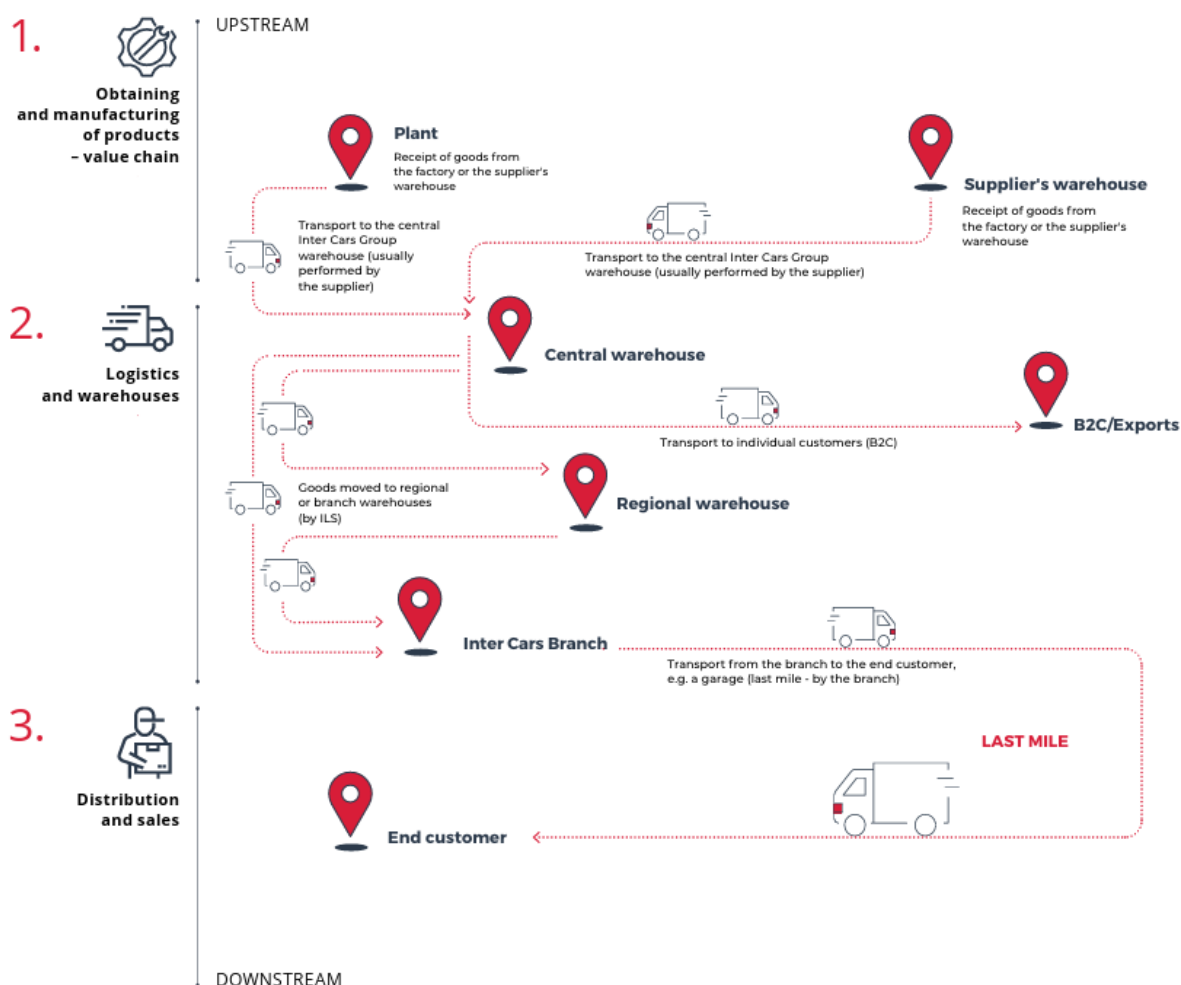
Development of innovative customer tools and fleet program - Motointegrator is a platform that helps drivers find a solution to a car problem in a professional workshop, recommended by Inter Cars. We search for and improve working methods in workshops and provide a full service of tools for diagnostics and repairs as well as for vehicle maintenance.

The Inter Cars Group value chain

The Group's value chain is analysed with regard to all Inter Cars Group companies, their business model and current *Business Strategy*. The underlying element of the chain are the operational processes used by and among the Group companies - from the delivery of commercial goods to the central warehouse, to their export or distribution to regional warehouses and later to the subsidiaries.

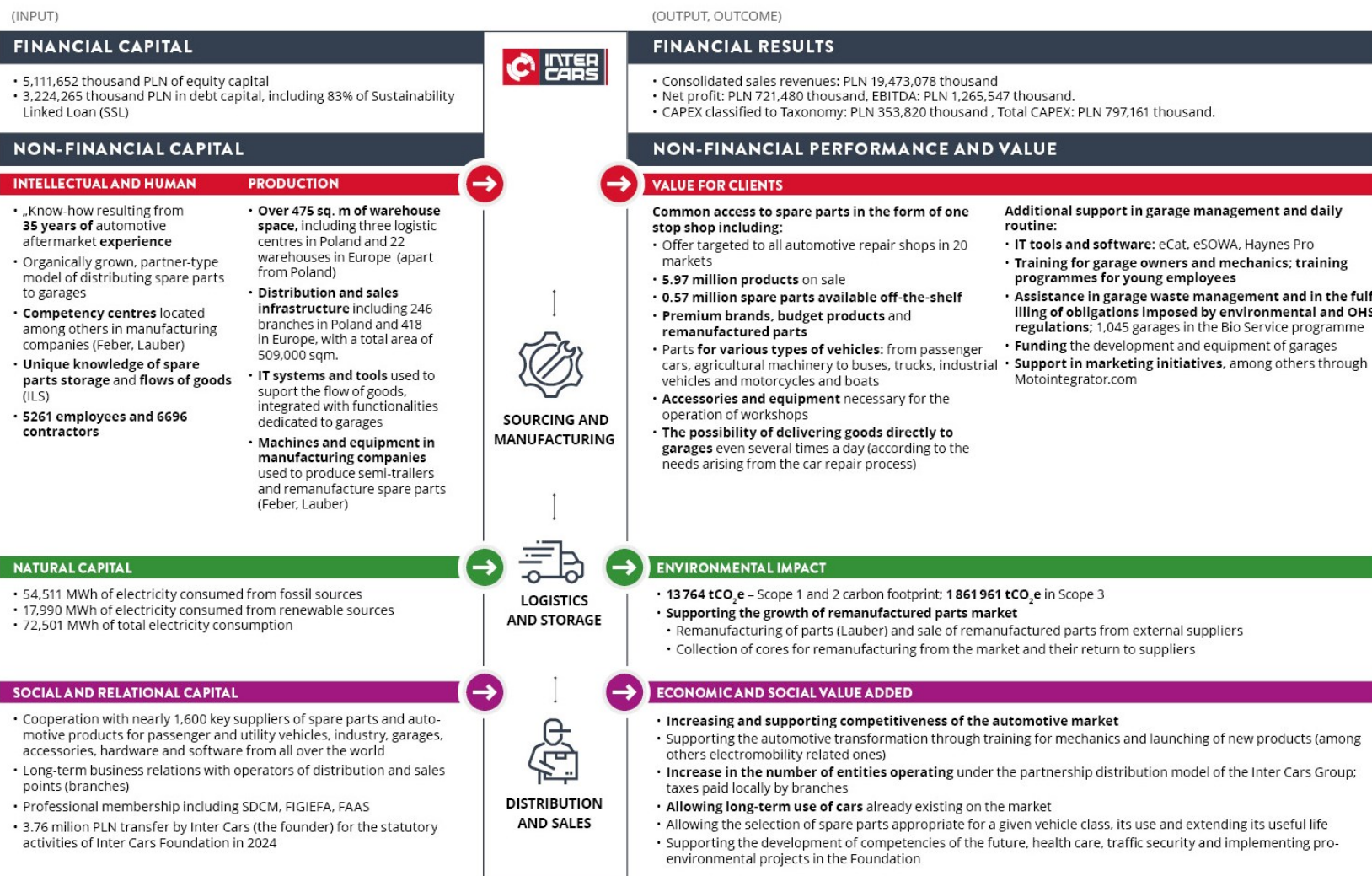
The upper level of the value chain, the so-called *upstream*, comprises all operations carried out by business partners (suppliers of goods), from sourcing raw materials to manufacturing products and their packaging to transporting them to the Group's central warehouse.

The lower level of the value chain, the so-called *downstream*, comprises all activities starting from the delivery of products to a subsidiary, i.e. product sale, to handling the "last mile transport," i.e. their delivery to the customers, i.e. the garages where the parts are assembled.



(in thousand PLN)

The Inter Cars Group value chain creation model



(in thousand PLN)

Key financial results of the Inter Cars Group

Direct economic value generated and distributed [PLN thousands]	2024
Direct economic value generated (revenue)	19,564,787
Revenue from sale and equivalent revenue	19,473,078
Other operating revenues	69,626
Financial revenues	22,083

The number of employees by geographic area is presented in Chapter 3.1 *Own workforce [ESRS S1]*.

INTERESTS AND VIEWS OF STAKEHOLDERS [SBM-2]

Following identification of the key stakeholder groups in the course of a materiality study, the Inter Cars Group has been able to engage in a regular dialogue with them with a view to taking their views into account in the conduct of its business and in the process of discussing projects resulting from its *Sustainability Strategy*. The representatives of the ESG Department and other organisational units which maintain regular communication with selected representatives of the stakeholder groups keep the Management Board and the Supervisory Board updated on the key conclusions of the dialogue impacting the Group's strategic processes.

For a detailed description of the topics relevant to stakeholders, see SBM-3 and IRO-1.

Inter Cars Group's relationships with key stakeholders

Stakeholder group	Main objective of the dialogue	Type of engagement
FINANCIAL MARKET REPRESENTATIVES - shareholders, - investors, - commercial banks - Polish Financial Supervision Authority, - Warsaw Stock Exchange.	Raising capital to enable the dynamic growth and achievement of Inter Cars Group's business objectives.	- quarterly investor presentations, - one-to-one meetings, - interviews, - negotiations.
SUPPLIERS - spare parts manufacturers: premium brands, own brands and remanufactured parts, - shipping companies, - suppliers of other products and services.	Building a broad portfolio of parts to enable garages to find all the necessary products "under one roof."	- regular direct communication, - industry-specific meetings, including meetings within associations, - research and surveys, - one-to-one meetings.
OPERATORS OF DISTRIBUTION AND SALES POINTS (BRANCHES) - branch owners and their employees.	Building a reliable, fast and efficient sales and distribution chain.	- regular direct communication, - conferences, invitations to participate in an employee engagement survey.

(in thousand PLN)

Inter Cars Group's relationships with key stakeholders (cont.)

Stakeholder group	Main objective of the dialogue	Type of engagement
CLIENTS - business customers - garages, - fleet customers.	Provision of a diverse, widely available portfolio of spare parts and services to meet their current and future needs.	- regular direct communication, - conferences, - meetings at the clients' premises, - satisfaction surveys, - opinion polls dialogue meetings.
EMPLOYEES AND CONTRACTORS - Inter Cars S.A., - distribution companies (including warehouses), - production and support companies.	Building an experienced, motivated and satisfied team to create the Inter Cars brand while providing professional development opportunities along clear and accessible career paths.	- training and development programmes, - engagement and employee surveys, - internal meetings with a regularity matched to the grade on the career path, - internal and external communication tools, including the intranet and social media.
PUBLIC INSTITUTIONS AND REGULATORY BODIES	Ensuring compliance with the applicable requirements and regulations, supporting the creation of new market rules, including good practice.	- constructive dialogue, - reports required by law, - participation in industry conferences, - regular and ongoing communication.
INDUSTRY ORGANIZATIONS - SDCM, - FAAS, - FIGIEFA.	Ensuring fair access to the independent aftermarket and technology. Building awareness of the challenges, opportunities and changes in the market.	- conferences and webinars, - online and offline meetings, - thematic working groups.
ENVIRONMENT	Understanding the environmental impact of the industry and the Inter Cars Group and minimising it in day-to-day business.	- Impact analysis of the Inter Cars Group - Environmental status report analysis

Sustainability Strategy "Sustainable automotive for people and climate"

A comprehensive analysis of sustainability materiality was carried out in 2023 to update the Group's *Sustainability Strategy*. Findings:

- the key social, environmental and governance areas on which the organisation has the greatest impact;
- areas that are most likely to affect the Group's business activities, posing new challenges, risks or opportunities (including financial ones).

The process involved several stages:

1. An analysis of the business context, including:
 - a. an overview of the market situation and challenges to the industry,
 - b. overview of the existing and upcoming regulations,
 - c. a benchmark analysis of companies involved in the automotive industry and the aftermarket, as well as selected companies in the sales, distribution and logistics sectors.
2. Identifying the Group's actual impacts through:
 - a. an independently moderated dialogue session in line with the AA1000 Standard, involving key stakeholders: employee representatives, customers, contractors, suppliers, shareholders, banks, local communities, industry and non-governmental organisations,
 - b. employee surveys,
 - c. interviews with the representatives of the executive team.
3. Impact severity assessment by independent experts by:
 - a. categories of their character (positive and negative),
 - b. time of occurrence (actual and potential),

(in thousand PLN)

- c. assessment of the severity of the impacts in terms of their scale and scope (all categories), irremediable character (negative impacts) and the probability of their occurrence (potential impacts).
 4. Prioritising sustainability impacts through:
 - a. discussing the key issues with, and their approval by the Management Board.

The above process was used to set measurable, results-oriented targets, which resulted in the Management Board adopting the revised *Inter Cars Group Sustainability Strategy - "Sustainable motoring, for people and the climate"* - in September 2023, for the period up to 2030, which applies to all direct and indirect subsidiaries and thus to all markets where operations are carried out.

Vision

We, Inter Cars, create a friendly, sustainable, and efficient environment around the workshop to ensure fast and competent service for safe mobility.

Mission

To deliver opportunities and the best quality of goods and services to professionals who take care about vehicles moving the world.

The 5 pillars of the Sustainability Strategy

The *Strategy* was prepared taking into consideration the key stakeholder groups and the impact the Inter Cars Group has on them with regard to sustainability.

The strategy was designed taking into account the entire value chain: from automotive parts manufacturers, acting as suppliers, to the customers, i.e. the garages. The key product groups¹¹ distributed through the Group's operations, as well as the related impacts and risks, were analysed in terms of governance and social as well as environmental aspects. Based on this, 5 pillars of sustainability were determined, and for each of them an ambition was defined, and two specific commitments and targets were adopted to monitor their implementation.

¹¹ In the course of the analysis, remanufactured products supporting the development of the circular economy as described in pillar 1, commitment B, were identified as fundamental from the point of view of sustainability. As regards the other products, the supply chain was identified as fundamental from the sustainability perspective, as reflected in pillar 1, commitment A.

(in thousand PLN)

INTER CARS GROUP SUSTAINABILITY STRATEGY 2030

PILLAR	SUSTAINABLE SPARE PARTS	GREEN LOGISTICS AND OPERATIONS	GARAGES OF TOMORROW	ENGAGED PEOPLE	ORGANIZATION OF THE FUTURE
	OUR PRODUCTS	OUR LOCATIONS	OUR CUSTOMERS	OUR PEOPLE	OUR ORGANIZATION
AMBITIONS	<i>We deliver car parts while shaping SUSTAINABLE VALUE CHAINS.</i>	<i>We aim to DECARBONIZE our operations in line with the Paris Agreement's scenario with focus on clean energy, efficient business operations and good environmental practices.</i>	<i>We are a first-choice partner for AUTOMOTIVE SERVICES of tomorrow.</i>	<i>WE GROW our organization by engaging in true PARTNERSHIP with our employees and communities.</i>	<i>We build our GOVERNANCE SYSTEM according to the best class practices supporting effective implementation of Sustainability Strategy.</i>
MANAGEMENT AND LIABILITY OF THE MEMBERS OF THE MANAGEMENT BOARD					
	Krzysztof Soszyński Wojciech Twaróg	Maciej Oleksowicz Wojciech Aleksandrowicz Piotr Zamora Wojciech Twaróg Krzysztof Soszyński	Maciej Oleksowicz Wojciech Twaróg Krzysztof Soszyński	Piotr Zamora	Maciej Oleksowicz
COMMITMENTS AND KPIS	<p>1A We will work with our suppliers to develop industry best practice, incorporating product carbon footprint (Scope 3), environmental risk and human rights aspects into our standard purchasing processes, for both premium brands and private label products.</p> <p>KPI:</p> <ul style="list-style-type: none"> By the end of 2024, Inter Cars will have developed and implemented a Sustainable Purchasing Policy, with a particular focus on ensuring effective risk management and respect for human rights throughout the supply chain. Inter Cars also commits that 73% of its suppliers by emissions covering purchased goods and services, upstream transportation and distribution and downstream transportation and distribution, will set their science-based targets by 2028. 	<p>2A We will reduce our carbon footprint (Scope 1 & 2) and reduce the environmental impact of our logistics centres and offices.</p> <p>KPI:</p> <ul style="list-style-type: none"> By the end of 2030, we commit to reduce our absolute Scope 1 & 2 GHG emissions by 42% compared to the baseline year of 2021. From the start of 2030, all our new buildings will be carbon neutral. By the end of 2030, we will power our facilities with 100% renewable electricity. From the beginning of 2026, all new warehouse buildings will be BREEAM (excellent) or LEED (>=platinum) certified. 	<p>3A We will train and support the development of garages of the future, with a particular focus on green energy, circularity and expertise in the era of electromobility and new technologies.</p> <p>KPI:</p> <ul style="list-style-type: none"> By the end of 2025 in Poland and by the end of 2026 throughout the Inter Cars Group, we will develop and support the implementation of the "Garages of tomorrow" programme. By the end of 2025, we will expand the existing training programme for garage employees on new automotive skills. By the end of 2025, we will expand the scope of the existing training system for garages to include ESG elements. 	<p>4A At Inter Cars Group, acting in line with our values, we care about the safety, diversity and skills of our employees at every level of the organisation.</p> <p>KPI:</p> <ul style="list-style-type: none"> In our annual employee engagement survey, we will maintain the global eNPS result at a level of no less than 15%. From the beginning of 2023 in Poland and from 2024 in the Inter Cars Group, we will enable selected partner enterprises, e.g. companies managing the distribution network, to participate in employee engagement surveys. We will implement HR and eHR tools for the our employees and associates in order to release their potential and support a flexible and effective work model. We will implement the programme supporting managerial competencies in the Inter Cars Group. By the end of 2026 we will reduce the gender pay gap to max. 5%. By the end of 2026 we will develop a diversity and inclusion programme in the Inter Cars Group. 	<p>5A We will continue to develop the area of compliance, integrity and fair practices within our organisation.</p> <p>KPI:</p> <ul style="list-style-type: none"> We will implement a new ESG management structure covering all reporting processes and supervision of ESG strategy implementation across the Inter Cars Group.
	<input type="radio"/> not started	<input type="radio"/> delayed in implementation	<input checked="" type="radio"/> in progress	<input checked="" type="radio"/> completed	

(in thousand PLN)

INTER CARS GROUP SUSTAINABILITY STRATEGY 2030

PILLAR	SUSTAINABLE SPARE PARTS	GREEN LOGISTICS AND OPERATIONS	GARAGES OF TOMORROW	ENGAGED PEOPLE	ORGANIZATION OF THE FUTURE
	OUR PRODUCTS	OUR LOCATIONS	OUR CUSTOMERS	OUR PEOPLE	OUR ORGANIZATION
AMBITIONS	<i>We deliver car parts while shaping SUSTAINABLE VALUE CHAINS.</i>	<i>We aim to DECARBONIZE our operations in line with the Paris Agreement's scenario with focus on clean energy, efficient business operations and good environmental practices.</i>	<i>We are a first-choice partner for AUTOMOTIVE SERVICES of tomorrow.</i>	<i>WE GROW our organization by engaging in true PARTNERSHIP with our employees and communities.</i>	<i>We build our GOVERNANCE SYSTEM according to the best class practices supporting effective implementation of Sustainability Strategy.</i>

MANAGEMENT AND LIABILITY OF THE MEMBERS OF THE MANAGEMENT BOARD

Krzysztof Soszyński	Maciej Oleksowicz Wojciech Twaróg Krzysztof Soszyński	Maciej Oleksowicz Wojciech Twaróg Krzysztof Soszyński	Maciej Oleksowicz	Piotr Zamora Wojciech Aleksandrowicz
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COMMITMENTS AND KPIS	1B	2B	3B	4B	5B
	<p>As a market leader, we will actively drive development of car parts re-manufacturing segment and the sale of used car parts while shaping customer preferences around circularity and minimizing the influence of our packaging on the environment.</p> <p>KPI:</p> <ul style="list-style-type: none"> By the end of 2026, we will increase the sales of remanufactured and used parts by 100% (compared to the sales level in 2022). By the end of 2030, we will achieve an 80% annualised level of core returns (in the B2B market). We will increase to min. 80% share of recycle in the composition of unit packs of remanufactured and used products. 	<p>We will support our branches in efforts to minimize negative environmental impact and strengthen positive experience for our clients.</p> <p>KPI:</p> <ul style="list-style-type: none"> By the end of 2025, we will develop a set of ESG recommendations for branches supporting them in their sustainability. 	<p>We will manage waste responsibly and reduce its mass through circularity and innovation.</p> <p>KPI:</p> <ul style="list-style-type: none"> Each year we will increase the ratio of garages handing over waste (at least once every two years) according to the contract with Bio Service by 5% (compared to 2023 ratio). 	<p>We will continue to support the development of accessible, safe, and responsible mobility for people and the climate.</p> <p>KPI:</p> <ul style="list-style-type: none"> By the end of 2030, we will have gathered a group of volunteers around the Foundation, who will have contributed a total of 6,000 hours of work for the implementation of social and environmental projects. By the end of 2030, we will provide mentoring and scholarship support to 180 of the Foundation's charges. We will enable Inter Cars business partners (branches, suppliers) in Poland to become involved in the projects and programmes implemented by the Inter Cars Foundation. 	<p>Sustainability activities at Inter Cars in all pillars will be supported using effective digital tools.</p> <p>KPI:</p> <ul style="list-style-type: none"> We will disclose sustainability data on a regular basis (once a year) in line with current regulations and best standards. We will ensure independent verification of ESG data disclosed in Sustainability Reports.

○ not started ◐ delayed in implementation ◑ in progress ● completed

(in thousand PLN)

1.4. SUSTAINABLE FINANCING – [SLL own disclosures – KPI 1, KPI 2, KPI 3]

On December 7, 2023, an annex (“Annex”) was concluded between Inter Cars S.A. as borrower and its certain subsidiaries and guarantors and financial institutions (BNP Paribas Bank Polska S.A., Bank Handlowy w Warszawie S.A., Bank Polska Kasa Opieki S.A., CaixaBank, S.A. (Spółka Akcyjna) Oddział w Polsce, ING Bank Śląski S.A., mBank S.A. and Santander Bank Polska S.A.) entered into an annex (the “Annex”) to the Term and Revolving Facilities Agreement dated November 14, 2016. (the “Senior Facilities Agreement”). The loans granted under the Senior Facilities Agreement are mainly intended to finance the current business activities of the Company and the Inter Cars Capital Group.

Among other things, the Annex provides for the inclusion of *sustainability linked-loans provisions (SLL)*, including the achievement of the Annex's sustainability targets (KPI) in respect of:

- Reducing the carbon footprint in scope 1 and 2 (for more information see the subchapter 2.2 *Climate change [ESRS E1]*) - [SLL - KPI 1],
- Percentage increase in the rate of return of cores to remanufactured parts suppliers (for more information see the subchapter 2.3 *Resource use and circular economy [ESRS E5]*) - [SLL - KPI 2],
- Increasing the participation of women in the “Accelerator” scholarship programme implemented by the Inter Cars Foundation - [SLL - KPI 3].

Pursuing the targets in question may impact the margins indicated in the Senior Facilities Agreement, in accordance with the specific provisions of the Annex thereto.

The Management Board of Inter Cars S.A. informed in detail about the conclusion of the Annex to the Senior Facilities Agreement in current report No. 30/2023 dated December 7, 2023.

Summary of the implementation of SLL SPT [Sustainability Performance Targets]

Disclosure number	Disclosure definition	Achieved result of the disclosure for the period ending 31 December 2024	Disclosure level assumed SPTs resulting from the Annex of 2023
SLL – KPI 1	Reduction of Scope 1 and 2 GHG Emissions compared to a baseline referred to as the SLL Reference Period ending 31 December 2021, measured in tons of CO ₂ eq, in accordance with the GHG Protocol.	Reduction of 32% compared to 2021 as the base year (according to the market-based method)	Achieved
SLL – KPI 2	Annualized level of ‘Core Returns’ in the European Union Business to Business (“B2B”) market, and is calculated as the volume of returned (invoices or credit notes) Core Parts to suppliers of remanufactured products vs. the volume of purchased remanufactured products from suppliers sold to the final customers annually, with the intention to increase the annualized levels of Core Parts returned to extend the lifetime of spare parts in the European Union B2B after-market. “Core parts” or “core(s)” is defined as the part removed from the car, having a specific value, determined by the supplier of the remanufactured product to the market.	47.8%	Achieved

(in thousand PLN)

Summary of the implementation of SLL SPT [Sustainability Performance Targets] (cont.)

Disclosure number	Disclosure definition	Achieved result of the disclosure for the period ending 31 December 2024	Disclosure level assumed SPTs resulting from the Annex of 2023
SLL – KPI 3	<p>Number of scholarships granted under the “Accelerator” program of the Foundation, which is a proprietary scholarship program of the Inter Cars Foundation intended for ambitious students interested in the automotive sector, mechanics, mechatronics, electronics, information technology and logistics in technical secondary (technika) schools in Poland. This KPI is divided into:</p> <p>3.a: Total Scholarships granted within the SLL Reference Period; and</p> <p>3.b: Increase in % of scholarships granted to females compared to the previous year and edition of the Accelerator program.</p>	<p>3.a. 20</p> <p>3.b. 33%¹²</p>	<p>3.a. Achieved</p> <p>3.b. Achieved</p>

On November 22, 2024, a further annex was concluded between Inter Cars S.A. as borrower and its certain subsidiaries and guarantors and financial institutions (BNP Paribas Bank Polska S.A., Bank Handlowy w Warszawie S.A., Bank Polska Kasa Opieki S.A., CaixaBank, S.A. (Spółka Akcyjna) Oddział w Polsce, ING Bank Śląski S.A., mBank S.A. and Santander Bank Polska S.A.) concluded another annex to the Senior Facilities Agreement, which, among other things, provides for the continuation of sustainability linked-loans provisions (SLL), including the achievement of certain sustainability targets (KPIs) in the next reference period

The Management Board of Inter Cars S.A. informed of the conclusion of the aforementioned annex to the Senior Facilities Agreement in current reports No. 23/2024 dated November 22, 2024 and 24/2024 dated November 28, 2024.

¹² In the 2024 edition, 20 grantees were selected, including 4 women (marking a +33% increase in grants awarded to women compared to the previous year)

(in thousand PLN)

1.5. MANAGEMENT OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES [IRO-1]

In 2024, Inter Cars Group conducted a comprehensive *Double Materiality Assessment (DMA)*. The methodology of the study was aligned with the requirements of the *CSRD¹³ Directive* and *the new European Sustainability Reporting Standards*. The study took into account the principle of double materiality – analysing both:

- the relevance of the Group's impact on sustainability matters,
- the financial materiality (i.e. the effect of the sustainability matter on the Group's financial performance).

The analysis of impacts, risks and opportunities was carried out from the perspective of the entire Group - with reference to companies registered in countries within and outside the European Union (Albania, Bosnia and Herzegovina, Moldova, Serbia, Ukraine).

Within the framework of this *Sustainability Statement*, data is presented at the level of the entire Inter Cars Capital Group, without division into sales segments, as is the case in the financial statements. This is due to the fact that the Group's core business remains the sale of spare parts, while sustainability activities are carried out horizontally, within the functional areas. In line with the current business strategy and the related *Sustainability Strategy*, we do not identify significant differences in ESG approaches between business segments that would warrant separate reporting.

The study involved the affected and interested stakeholder groups representing all direct and indirect subsidiary companies, as well as relevant elements of the value chain. The process consisted of 4 steps:

1. a contextual analysis of the business (broken down into distribution, logistics, production and support activities), as well as market trends, stakeholders and the Inter Cars Group value chain;
2. identification of the actual and potential impacts, risks and opportunities based on the issues contained in Appendix A of ESRS 1 AR 16;
3. assessment of significant impacts, risks and opportunities;
4. defining the final list of disclosures to be reported on the basis of a double materiality assessment process.

The following research tools were used in the assessment:

- source data analysis,
- a comparative analysis of 19 entities with a business model similar to that of the Inter Cars Group,
- a survey conducted among Inter Cars Group employees,
- structured interviews with the stakeholder representatives,
- workshops for the members of top management,
- a matrix analysis of the results obtained.

The Inter Cars Group adopted a scale of 0-5 to assess the component parameters of the impacts, risks and opportunities, as a result of which topics with an assigned score of 4.0 or higher were considered material and the corresponding disclosures will be disclosed in the *Report*.

The following parameters were used to assess the impact of the sustainability matters:

- scale,
- scope,
- irremediable character,
- severity - the arithmetic means of the components: scale, extent, irremediable character,
- probability¹⁴,

¹³ Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU with regard to corporate sustainability reporting

¹⁴ In the case of a potential adverse impact on human rights, the severity of the impact takes precedence over its probability.

(in thousand PLN)

- time horizon.

The following parameters were used to assess the risks and opportunities arising from the sustainability matters:

- probability,
- time horizon,
- the scale of the financial impacts was assessed qualitatively and indicates whether the risk or opportunity is financially material based on the current knowledge of the entities involved in the process.

The identified sustainability risks and opportunities are not prioritised separately, and their assessment follows the methodology outlined above.

The result of the above process is described and presented in chapter 1.5. *1.5. Management of material impacts, risks and opportunities*, SBM-3.

E1 IRO-1: Description of the process to identify and assess material climate-related impacts, risks and opportunities

The Inter Cars Group analysed and assessed its operations and plans to identify the actual and potential climate impacts in the process of preparing its *Decarbonisation Strategy*. The total greenhouse gas emissions, serving as the benchmark for assessing the Group's climate impact, were calculated for the 2021 baseline year and projected through 2030, during which the Group is committed to reducing emissions in line with the Paris Agreement pathway. During the process of assessing the climate impact of the Inter Cars Group's own operations, the current and future emission sources were taken into account, a business growth was assumed, and the planned decarbonisation measures were taken into account.

An assessment of the impact of the Inter Cars Group's value chain on the climate is carried out annually during the Company's Scope 3 carbon footprint count.

Climate risks

The climate risks were not linked to expected asset life, strategic planning horizons and capital allocation plans.

Physical risks¹⁵

An assessment of the physical risks¹⁶ resulting from the Company's own operations was carried out by identifying the climate-related risks and assessing the extent to which the Group's assets and business activity may be exposed to them. A climate scenario assuming high emissions was taken into account¹⁷. Due to the long-term nature of climate change, physical risks were assessed in the short term (current year), medium term (up to 5 years) and long term (more than 5 years)¹⁸. The analysis of climate-related physical risks in the Group's own operations is based on data from the level of each country in which the Group operates¹⁹. The process of identifying significant risks consisted of assessing the probability of a given event and estimating its scale and area of occurrence in the context of the Group's operations.

¹⁵ Risks arising from climate change, triggered by events (sudden) or long-term changes (long-term) in climate patterns.

¹⁶ Physical risks in accordance with the table in ESRS E1 IRO-1 under AR 11.

¹⁷ RCP scenario 8.5 - A high emissions scenario assuming continuation of the current emission trends without any material action taken to reduce them. It was developed by the Intergovernmental Panel on Climate Change (IPCC).

¹⁸ The assessment of physical risks in the medium and long term is based on the "European Climate Data Explorer" available on the European Environment Agency's website: <https://climate-adapt.eea.europa.eu/en/knowledge/european-climate-data-explorer/overview-list>. This data covers a time horizon up to 2040, so it is used to assess risks over the medium and long term.

¹⁹ According to the Nomenclature of Territorial Units for Statistics - NUTS.

(in thousand PLN)

Currently and in the medium to long term, physical risks do not have a material impact on the Group and its assets due to the nature of its business and its geographical location. The physical risks related to the climate are assessed annually.

In 2024, an analysis has been initiated in the Inter Cars Group from a downstream and upstream value chain perspective - for the logistics business, among others, where no significant risks have been identified. Work on the structured resilience analysis will continue in line with the due diligence process.

Transition risks²⁰

The transition risks and opportunities were assessed by identifying the transition events²¹ and assessing the extent to which the Group's assets and operations may be exposed to them. A climate scenario assuming low emissions was taken into account²².

Due to the long-term nature of the regulatory changes involved in adapting the economy to the climate change, transition risks were assessed in the short term (current year), medium term (up to 5 years) and long term (more than 5 years).

The transition risks and opportunities were assessed for the Group's own operations and value chain in terms of probability of their occurrence and their potential impact on the Group's business. As part of the analysis, the assets and activities were identified where significant efforts are required to make the transition to a climate-neutral economy. This particularly regards the storage and fleet operations, whose decarbonisation is dependent on the technical and market maturity of zero emission solutions.

The Group identifies transition risks and opportunities that may be material in the context of the Group's operations at the level of each country and its value chain. They are described Chapter 1.5 *Management of material impacts, risks and opportunities* in SBM-3.

The Inter Cars Group's financial statements do not provide for climate assumptions using climate scenarios.

E2 IRO-1: Description of processes to identify and assess material pollution-related impacts, risks and opportunities

The Inter Cars Group carried out an analysis of its business model and the downstream and the upstream value chain, and identified no material impacts, risks or opportunities with regard to pollution. The following aspects were analysed: air, water and soil pollution (excluding greenhouse gas emissions and waste), microplastics and substances of concern, and dependence on ecosystem services to help mitigate pollution-related impacts.

As part of the dual materiality assessment process, benchmarking, market and regulatory analyses were applied, in addition to environmental reports, maps of protected areas and dialogue meetings with stakeholders. In addition, the activities of the Group companies are not considered production activities within the meaning of Annex I to *Regulation 166/2006 of the European Parliament and of the Council (PRTR)*.

E3 IRO-1: Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

Following an analysis of its business model and the downstream and the upstream value chain, the Inter Cars Group identified no material impacts, risks and opportunities (IROs) with regard to water and marine resources. The dual materiality analysis examined potential IROs in relation to the following sub-topics: water, including surface water consumption, groundwater, as well as water abstraction and discharge, marine resources, including extraction and use of such resources, and related

²⁰ Risks arising from the transition to a low-carbon and climate-resilient economy. These typically include political, legal, technological, market and reputational risks.

²¹ The events were identified in accordance with the table contained in ESRS E1 IRO-1 under AR 12.

²² A scenario in line with the Paris Agreement and assuming limiting the climate change to 1.5° C compared to pre-industrial era.

(in thousand PLN)

economic activities. The definitions of the river basin, water body status and dependence of business on marine resources were used in the assessment, and no significant impacts, risks and opportunities were identified in this regard.

E4 IRO-1: Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

As part of the dual materiality assessment process, benchmarking, market and regulatory analyses were applied, in addition to environmental reports, maps of protected areas and dialogue meetings with stakeholders. In addition, the activities of the Group companies are not considered production activities within the meaning of Annex I to *Regulation 166/2006 of the European Parliament and of the Council (PRTR)*.

No direct impacts on biodiversity loss were identified in the course of the Inter Card Group's operation and an analysis of the downstream and the upstream value chain. The Group's operations do not directly alter the use of land, fresh water or sea water, nor do they contribute to the introduction of invasive alien species, change the size of species populations or cause land degradation or desertification. None of the Group's operating facilities are located in threatened or sensitive areas. As part of the analysis, transition and physical risks related to biodiversity and factors affecting biodiversity loss were considered: climate change, land use change (e.g. artificial land cultivation), fresh water and marine water use change, direct exploitation, invasive alien species, pollution and impacts and dependencies on ecosystem services. No need to implement measures to mitigate biodiversity loss was identified.

Due to the lack of affected communities identified in the above topics, no consultation was carried out in this regard.

Accordingly, disclosures addressing the E2, E3 and E4 topics were not disclosed as part of the 2024 *Sustainability Statement*.

E5 IRO-1: Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

The Inter Cars Group carried out an analysis of its own operations, assets, as well as the downstream and the upstream value chain, and identified material impacts, risks and opportunities related to resource utilisation and circular economy, particularly in relation to resource inflows. The analysis included the following sub-topics: circularity of material resource inflows, taking into account resource optimisation, the intensity of use of materials, products and renewable and non-renewable resources, discharged resources related to products and services, as well as waste generation, including hazardous and non-hazardous waste. Through benchmarking, market analysis, regulatory analysis of environmental reports, flows of resource inputs and discharges in the companies and dialogues with affected stakeholders, areas of impact and potentially risks and opportunities were identified. The disclosure can be found in Chapter 2.3 *Resource use and circular economy [ESRS E5]*.

However, no the impacts, risks and opportunities corresponding with the disclosures in E5-4 and partly in E5-5 (relating to resource inflows and outflows) were identified in the course of the analysis of the Group's business model. As a result of the analysis, a decision was made to disclose the Group's own disclosure linked to sustainable financing. The result of the analysis is disclosed in Chapter 1.5 *Management of material impacts, risks and opportunities* in the SBM-3 disclosure.

G1 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

The Inter Cars Group carried out an analysis of its own operations and the locations in which they are carried out, including an analysis of the respective business sector, transaction structure and business relationships. Material impacts, risks and opportunities related to business operations and business conduct were identified. The parent company, Inter Cars S.A., is listed on the Warsaw Stock Exchange. As an entity subject to public supervision, it follows the corporate governance and business ethics standards. The disclosure can be found in Chapter 4.1 *Business conduct [ESRS G1]*.

(in thousand PLN)

MATERIAL IMPACTS RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL [SBM-3]

Impact materiality assessment

The impact materiality assessment identified areas where the Inter Cars Group has a material impact. The following tables summarise the matters identified as material in terms of the impacts, risks and opportunities for the Inter Cars Group. The time perspective of the impacts was determined in accordance with the definitions in ESRS 1. The materiality assessment results are valid for one year, subject to revision in the following financial year. The relevant geographical areas, facilities, asset types, investments and distribution channels were taken into account during the dual materiality assessment.

The impacts, risks and opportunities identified in the dual materiality assessment process are consistent with the previously identified topics based on which the *Sustainability Strategy* was built. The resilience of the *Strategy* was taken into account already at the design stage and in the development of the list of projects intended to achieve the individual targets. It is also ensured through regular monitoring of the work progress and consistent reporting of both the progress and the identified risks to the Management Board.

Material impacts for the Inter Cars Group

Sustainability matters covered in topical ESRS	Impact description	Type of impact	Place in the value chain
E1 Climate change			
Climate change mitigation	The Inter Cars Group's impact on climate change results from greenhouse gas emissions (carbon footprint) arising from its operations (scope 1 and 2) and along its value chain (scope 3).	negative, actual	- own operations, - upstream value chain, - downstream value chain.
Energy	Purchase and use of electricity and fuels for the Group's operations contribute to increased greenhouse gas emissions.	negative, actual	- own operations, - upstream value chain, - downstream value chain.
E5 Resource use and circular economy			
Waste	The Inter Cars Group contributes impacts the circular economy by generating waste resulting from its logistics, distribution and production activities (the Feber and Lauber companies).	negative, actual	- own operations, - upstream value chain, - downstream value chain.

(in thousand PLN)

Material impacts for the Inter Cars Group (cont.)

Sustainability matters covered in topical ESRS	Impact description	Type of impact	Place in the value chain
S1 Own workforce			
Working conditions	As an employer, the Inter Cars Group has a strong and direct impact on the working conditions, remuneration and career development opportunities of its workforce.	positive, actual	- own operations.
Equal treatment and opportunities for all	The Inter Cars Group ensures equal treatment and equal opportunities for all employees.	positive, actual	- own operations.
Other work-related rights	The Inter Cars Group conducts its business in compliance with the applicable law and the most stringent international standards, respecting both employee and human rights.	positive, actual	- own operations.
S2 Workers in the value chain			
Working conditions and other work-related rights	Owing to its presence in many markets and cooperation with numerous business partners across its value chain, the Inter Cars Group is capable of exerting indirect impact on social issues in terms of workers in the values chain by applying the cooperation rules and criteria adopted.	negative, potential, any time horizon	- upstream value chain, - downstream value chain.
Working conditions and other work-related rights	Owing to its business model of cooperation with subsidiaries, the Inter Cars Group is capable of exerting indirect positive impact on the development of the employees of its subsidiaries and the creation of new jobs.	positive, potential, any time horizon	- downstream value chain.
G1 Business conduct			
Corporate culture	The Inter Cars Group consciously shapes an organisational culture that sets standards for cooperation between companies and employees as well as transparent rules for cooperation with business partners along the entire value chain.	positive, actual	- own operations, - upstream value chain, - downstream value chain.
Protection of whistle-blowers	The Group has implemented appropriate channels for reporting abuse, as well as policies and procedures for handling abuse reports and protecting whistleblowers.	positive, actual	- own operations, - upstream value chain, - downstream value chain.

(in thousand PLN)

Material impacts for the Inter Cars Group (cont.)

Sustainability matters covered in topical ESRS	Impact description	Type of impact	Place in the value chain
Political engagement and lobbying activities	The Inter Cars Group participates in the work of industry associations, such as CLEPA, FIGIEFA, FAAS, representing the interests of the independent automotive aftermarket at national and European level. These activities contribute to improving and creating the regulatory environment for the industry.	positive, actual	- own operations.
Management of relationships with suppliers including payment practices	The Group cooperates with numerous business partners across its value chain. The Group applies documents governing its cooperation with business partners.	positive, actual	- own operations.
Corruption and bribery	Due to the broad scale of the Inter Cars Group's activities and its presence in many markets, there is a risk of corruption incidents or bribery attempts. The potential negative impact is minimised as the Group has documents regulating corruption and bribery and employees undergo anti-corruption training.	negative, potential, any time horizon	- own operations, - upstream value chain, - downstream value chain.
Own topics			
Business customers	The Inter Cars Group directly impacts terms and conditions of cooperation with its customers.	positive, actual	- own operations, - downstream value chain.
Cyber security and data security	The Inter Cars Group impacts the security of personal data of its employees, customers and business partners.	negative, potential, any time horizon	- own operations, - downstream value chain.

(in thousand PLN)

Financial risk materiality assessment

As part of the assessment process, the level of risks and opportunities was verified with regard to sustainability matters.

The following table presents only the financially material risks and opportunities; the non-disclosure of anticipated financial effects exemption specified in the BP-2 disclosure was applied.

Material risks and opportunities for the Inter Cars Group

Area of occurrence of risks and opportunities	Risk or opportunity description	Time horizon	Point of occurrence or a risk or an opportunity in the value chain	Risk mitigation
E1 Climate change				
Climate change adaptation	Regulatory risk related to emergence of new legislation that may impact the product portfolio of the Inter Cars Group (e.g. restrictions imposed on selected product segments).	- short-term time horizon, - medium-term time horizon, - long-term time horizon.	- own operations.	Through the actions described in Chapter 2.2 <i>Climate change</i> [ESRS E1], in the E1-3 disclosure
Climate change mitigation	Risk of limited access to financing based on the carbon footprint disclosures of the business or the products distributed	- long-term time horizon.	- own operations.	Through the actions described in Chapter 2.2 <i>Climate change</i> [ESRS E1], in the E1-3 disclosure
E5 Resource use and circular economy				
Resources inflows, including resource use	Risk of reduced sales volume of remanufactured parts and retention of cores of remanufactured parts in the market.	- short-term time horizon, - medium-term time horizon, - long-term time horizon.	- own operations, - upstream value chain, - downstream value chain.	Through the actions described in Chapter 2.3 <i>Resource use and circular economy</i> [ESRS E5], the E5-2 disclosure

(in thousand PLN)

Material risks and opportunities for the Inter Cars Group (cont.)

Area of occurrence of risks and opportunities	Risk or opportunity description	Time horizon	Point of occurrence or a risk or an opportunity in the value chain	Risk mitigation
Resources inflows, including resource use	In Poland and throughout the European Union, the development of factory remanufacturing is strongly dependent on legal regulations, in terms of which there is a lack of unambiguous interpretations, legislative solutions, norms and standards. This situation generates a risk of negative impact on the operations and competitiveness of companies producing in this technology, including the operations of Lauber (Management Report on Operations for the year ended December 31, 2024, in section 25 Events that may significantly affect the issuer's future financial results and events after the balance sheet date).	<ul style="list-style-type: none"> - medium-term time horizon, - long-term time horizon. 	<ul style="list-style-type: none"> - own operations, - upstream value chain. 	Monitoring of the regulatory environment, including cooperation with industry organizations, regulators and advisors.
Resource outflows related to products and services	An opportunity to dynamically develop the remanufactured parts market and increase the sales volume for these parts.	<ul style="list-style-type: none"> - short-term time horizon, - medium-term time horizon, - long-term time horizon. 	<ul style="list-style-type: none"> - own operations. 	Through the actions described in Chapter 2.3 <i>Resource use and circular economy</i> [ESRS E5], the E5-2 disclosure

(in thousand PLN)

Material risks and opportunities for the Inter Cars Group (cont.)

Area of occurrence of risks and opportunities	Risk or opportunity description	Time horizon	Point of occurrence or a risk or an opportunity in the value chain	Risk mitigation
Own topics				
Business customers	An opportunity to expand the product portfolio and implement new services to support the development of garages allowing them to reach out to a broader range of customers (garages).	- short-term time horizon.	- own operations.	Through the actions described in Chapter 4.2 <i>Customers [own C1 disclosure]</i>
Cyber security and data security	Risk of cyber-attacks on IT systems and the risk of personal data breach or loss.	- short-term time horizon.	- own operations.	Through the actions described in Chapter 4.3 <i>Cyber security and data security [own CS disclosure]</i>

(in thousand PLN)

DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT [IRO-2]

Methodology for selecting disclosures for material impacts, risks, and opportunities is described in detail in IRO-1.

ESRS compliance summary

Disclosure no.	Full name of the Disclosure Requirement	Chapter in the report
ESRS 2 GENERAL DISCLOSURES		
BP-1	General basis for preparation of sustainability statements	1.1.Basis for preparation
BP-2	Disclosures in relation to specific circumstances	1.1.Basis for preparation
GOV-1	The role of the administrative, management and supervisory bodies	1.2. Sustainability management
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.2. Sustainability management
GOV-3	Integration of sustainability-related performance in incentive schemes	1.2. Sustainability management
GOV-4	Statement on due diligence	1.2. Sustainability management
GOV-5	Risk management and internal controls over sustainability reporting	1.2. Sustainability management
SBM-1	Strategy, business model and value chain	1.3. Strategy
SBM-2	Interests and views of stakeholders	1.3. Strategy
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.5.Management of material impacts, risk and opportunities
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.5.Management of material impacts, risk and opportunities
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	1.5.Management of material impacts, risk and opportunities
ESRS E1 CLIMATE CHANGE		
E1-1	Transition plan for climate change mitigation	2.2. Climate change [ESRS E1]
E1-2	Policies related to climate change mitigation and adaptation	2.2. Climate change [ESRS E1]
E1-3	Actions and resources in relation to climate change policies	2.2. Climate change [ESRS E1]
E1-4	Targets related to climate change mitigation and adaptation	2.2. Climate change [ESRS E1]
E1-5	Energy consumption and mix	2.2. Climate change [ESRS E1]
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	2.2. Climate change [ESRS E1]
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	2.2. Climate change [ESRS E1]
E1-8	Internal carbon pricing	2.2. Climate change [ESRS E1]
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Not applicable
ESRS E5 RESOURCE USE CIRCULAR ECONOMY		
E5-1	Policies related to resource use and circular economy	2.3. Resource use and circular economy [ESRS E5]
E5-2	Actions and resources related to resource use and circular economy	2.3. Resource use and circular economy [ESRS E5]
E5-3	Targets related to resource use and circular economy	2.3. Resource use and circular economy [ESRS E5]
E5-4	Resource inflows	Not applicable
E5-5	Resource outflows	2.3. Resource use and circular economy [ESRS E5]
E5-6	Anticipated financial effects from resource use and circular economy-related risks and opportunities	Not applicable

(in thousand PLN)

ESRS compliance summary (cont.)

Disclosure no.	Full name of the Disclosure Requirement	Chapter in the report
ESRS S1 OWN WORKFORCE		
S1-1	Policies related to own workforce	3.1. Own workforce [ESRS S1]
S1-2	Processes for engaging with own workers and workers' representatives about impacts	3.1. Own workforce [ESRS S1]
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	3.1. Own workforce [ESRS S1]
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	3.1. Own workforce [ESRS S1]
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.1. Own workforce [ESRS S1]
S1-6	Characteristics of the undertaking's employees	3.1. Own workforce [ESRS S1]
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	3.1. Own workforce [ESRS S1]
S1-8	Collective bargaining coverage and social dialogue	3.1. Own workforce [ESRS S1]
S1-9	Diversity metrics	3.1. Own workforce [ESRS S1]
S1-10	Adequate wages	3.1. Own workforce [ESRS S1]
S1-11	Social protection	3.1. Own workforce [ESRS S1]
S1-12	Persons with disabilities	3.1. Own workforce [ESRS S1]
S1-13	Training and skills development metrics	3.1. Own workforce [ESRS S1]
S1-14	Health and safety metrics	3.1. Own workforce [ESRS S1]
S1-15	Work-life balance metrics	3.1. Own workforce [ESRS S1]
S1-16	Compensation metrics (pay gap and total compensation)	3.1. Own workforce [ESRS S1]
S1-17	Incidents, complaints and severe human rights impacts	3.1. Own workforce [ESRS S1]
ESRS S2 WORKERS IN THE VALUE CHAIN		
S2-1	Policies related to value chain workers	3.2. Workers in the value chain [ESRS S2]
S2-2	Processes for engaging with value chain workers about impacts	3.2. Workers in the value chain [ESRS S2]
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.2. Workers in the value chain [ESRS S2]
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	3.2. Workers in the value chain [ESRS S2]
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.2. Workers in the value chain [ESRS S2]
ESRS G1 BUSINESS CONDUCT		
G1-1	Corporate culture and business conduct policies and corporate culture	4.1. Business conduct [ESRS G1]
G1-2	Management of relationships with suppliers	4.1. Business conduct [ESRS G1]
G1-3	Prevention and detection of corruption and bribery	4.1. Business conduct [ESRS G1]
G1-4	Confirmed incidents of corruption or bribery	4.1. Business conduct [ESRS G1]
G1-5	Political influence and lobbying activities	4.1. Business conduct [ESRS G1]
G1-6	Payment practices	4.1. Business conduct [ESRS G1]

(in thousand PLN)

List of data points contained in cross-cutting and thematic standards which stem from other EU legislation

Disclosure Requirement and related data point	Reference to the regulation on sustainability-related disclosures in the financial services sector	Reference / Not relevant / Transition period
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Annex I to <i>Regulation (EU) 2019/2088 ('SFDR')</i> ; Annex II to <i>Commission Delegated Regulation ('CDR') (EU) 2020/1816</i>	1.2. Sustainability management
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	Annex II to <i>CDR (UE) 2020/1816</i>	1.2. Sustainability management
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Annex I to <i>SFDR</i>	1.2. Sustainability management
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Not relevant	Not relevant
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Not relevant	Not relevant
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Not relevant	Not relevant
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	Not relevant	Not relevant
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	Article 2(1) of <i>Regulation (EU) 2021/1119</i>	2.2. Climate change [ESRS E1]
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	Not relevant	2.2. Climate change [ESRS E1]
ESRS E1-4 GHG emission reduction targets paragraph 34	Article 6 <i>CDR (EU) 2020/1818</i>	2.2. Climate change [ESRS E1]
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Not relevant	2.2. Climate change [ESRS E1]
ESRS E1-5 Energy consumption and mix paragraph 37	Annex I to the <i>SFDR</i>	2.2. Climate change [ESRS E1]
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Not relevant	2.2. Climate change [ESRS E1]
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Annex I to the <i>SFDR</i> ; Articles 5(1), 6 and 8(1) <i>CDR (EU) 2020/1818</i>	2.2. Climate change [ESRS E1]
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Annex I to the <i>SFDR</i> ; Article 8(1) <i>CDR (EU) 2020/1818</i>	2.2. Climate change [ESRS E1]
ESRS E1-7 GHG removals and carbon credits paragraph 56	Not relevant	2.2. Climate change [ESRS E1]
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Transition period	Transition period
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)	Transition period	Transition period

(in thousand PLN)

List of data points contained in cross-cutting and thematic standards which stem from other EU legislation (cont.)

Disclosure requirement and related data point	Reference to the regulation on sustainability-related disclosures in the financial services sector	Reference / Not relevant / Transition period
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)	Transition period	Transition period
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)	Transition period	Transition period
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	Transition period	Transition period
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Not relevant	Not relevant
ESRS E3-1 Water and marine resources paragraph 9	Not relevant	Not relevant
ESRS E3-1 Dedicated policy paragraph 13	Not relevant	Not relevant
ESRS E3-1 Sustainable oceans and seas paragraph 14	Not relevant	Not relevant
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Not relevant	Not relevant
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	Not relevant	Not relevant
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Not relevant	Not relevant
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Not relevant	Not relevant
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Not relevant	Not relevant
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Not relevant	Not relevant
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Not relevant	Not relevant
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Not relevant	Not relevant
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Annex I to the SFDR; Directive 2008/98/EC of 19 November 2008 r.	2.3. Resource use and circular economy [ESRS E5]
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Annex I to the SFDR; Directive 2008/98/EC of 19 November 2008 r.	2.3. Resource use and circular economy [ESRS E5]
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Annex I to the SFDR; Vigilance Plan; French Law 2017-399 N	3.1. Own workforce [ESRS S1]
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Annex I to the SFDR; Vigilance Plan; French Law 2017-399 N	3.1. Own workforce [ESRS S1]
ESRS S1-1 Human rights policy commitments paragraph 20	Annex I to the SFDR	3.1. Own workforce [ESRS S1]
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	Annex II to CDR (EU) 2020/1816; Vigilance Plan; French Law 2017-399	3.1. Own workforce [ESRS S1]

(in thousand PLN)

List of data points contained in cross-cutting and thematic standards which stem from other EU legislation (cont.)

Disclosure requirement and related data point	Reference to the regulation on sustainability-related disclosures in the financial services sector	Reference / Not relevant / Transition period
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Annex I to the <i>SFDR</i>	3.1. Own workforce [ESRS S1]
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Annex I to the <i>SFDR</i>	3.1. Own workforce [ESRS S1]
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Annex I to the <i>SFDR</i>	3.1. Own workforce [ESRS S1]
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Annex II to <i>CDR (EU) 2020/1816</i>	3.1. Own workforce [ESRS S1]
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Annex I to the <i>SFDR</i>	3.1. Own workforce [ESRS S1]
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Annex II to <i>CDR (EU) 2020/1816</i>	3.1. Own workforce [ESRS S1]
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Annex I to the <i>SFDR</i>	3.1. Own workforce [ESRS S1]
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Annex I to the <i>SFDR</i>	3.1. Own workforce [ESRS S1]
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	<i>SFDR</i> ; Annex II to <i>CDR (EU) 2020/1816</i> ; Article 12(1) <i>CDR (EU) 2020/1818</i> .	3.1. Own workforce [ESRS S1]
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Annex I to the <i>SFDR</i> ; Vigilance Plan; French Law 2017-399	3.2. Workers in the value chain [ESRS S2]
ESRS S2-1 Human rights policy commitments paragraph 17	Annex I to the <i>SFDR</i> ; Vigilance Plan; French Law 2017-399	3.2. Workers in the value chain [ESRS S2]
ESRS S2-1 Policies related to value chain workers paragraph 18	Annex I to the <i>SFDR</i> ; Vigilance Plan; French Law 2017-399	3.2. Workers in the value chain [ESRS S2]
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	<i>SFDR</i> ; Annex II to <i>CDR (EU) 2020/1816</i> ; Article 12(1) <i>CDR (EU) 2020/1818</i>	3.2. Workers in the value chain [ESRS S2]
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	Annex II to <i>CDR (EU) 2020/1816</i> ; Vigilance Plan; French Law 2017-399	3.2. Workers in the value chain [ESRS S2]
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Annex I to the <i>SFDR</i> ; Vigilance Plan; French Law 2017-399	3.2. Workers in the value chain [ESRS S2]
ESRS S3-1 Human rights policy commitments paragraph 16	Not relevant	Not relevant
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Not relevant	Not relevant

(in thousand PLN)

List of data points contained in cross-cutting and thematic standards which stem from other EU legislation (cont.)

Disclosure requirement and related data point	Reference to the regulation on sustainability-related disclosures in the financial services sector	Reference / Not relevant / Transition period
ESRS S3-4 Human rights issues and incidents paragraph 36	Not relevant	Not relevant
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Not relevant	Not relevant
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Not relevant	Not relevant
ESRS S4-4 Human rights issues and incidents paragraph 35	Not relevant	Not relevant
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Annex I to the <i>SFDR</i>	4.1. Business conduct [ESRS G1]
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Annex I to the <i>SFDR</i>	4.1. Business conduct [ESRS G1]
ESRS G1-4 Fines for violation of anticorruption and anti-bribery laws paragraph 24 (a)	Annex I to the <i>SFDR</i> ; Annex II to <i>CDR (EU) 2020/1816</i>	4.1. Business conduct [ESRS G1]
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Annex I to the <i>SFDR</i>	4.1. Business conduct [ESRS G1]

(in thousand PLN)

2. ENVIRONMENTAL INFORMATION [ESRS E1 AND E5]

2.1. TAXONOMY DISCLOSURES

The Inter Cars Group carried out qualification processes and determination of compliance with the EU Taxonomy (hereinafter referred to as the "Taxonomy") with regard to six climate and environmental (i.e. climate change mitigation and adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems).

According to *EU Regulation 2020/852*, carrying out environmentally sustainable activities requires compliance with technical qualification criteria and Minimum Safeguards, i.e.:

- making a significant contribution to one or more of the six environmental targets,
- not doing serious harm to any of the other objectives,

fulfilment of so-called Minimum Safeguards involving the implementation of due diligence procedures enabling compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and the 'do no serious harm' principle as defined in *Regulation (EU) 2019/2088*.

Assessment of compliance with *Regulation (EU) 2020/852*

As regards the data for the period from January 1, 2024, to December 31, 2024, the Group is subject to the disclosure requirements under the EU Taxonomy of key performance disclosures (hereinafter referred to as "KPI") related to turnover, capital expenditure (CapEx), operating expenditure (OpEx), as well as the obligation to provide qualitative disclosures. In order to calculate the aforementioned KPIs, eligible activities were reviewed and their compliance with the EU Taxonomy systematics in the area of the six environmental targets was established.

The Group reviewed its activities, and their qualification based on the activity descriptions contained in the EU Taxonomy, using the NACE codes. Subsequently, compatibility of these activities with the EU Taxonomy systematics was established. This process involved assessing the eligible activities in terms of their compliance with the material contribution criteria, the "do no significant harm" (DNSH) principle and compliance with the Minimum Safeguards. An analysis of the technical criteria guidelines was carried out, the issues of physical risks and other allowances that were assigned to the activities in question and the additional criteria contained in the DNSH were checked. The analysis covered activities 6.5 *Transport of motorbikes, passenger cars and commercial vehicles*, 7.6 *Installation, maintenance and repair of renewable energy technology systems* and 7.7 *Acquisition and ownership of buildings*.

After analysing all the activities described in the Taxonomy, it was determined that the Group's key performance disclosures related to turnover, capital expenditure (CapEx) and operating expenditure (OpEx) were derived from activities that qualify for the EU Taxonomy systematics indicated below. The Group has determined that three business activities qualify for the first two environmental targets i.e. climate change mitigation and climate change adaptation. Inter Cars Group does not identify revenues from activities that qualify for systematisation, as the main activity is the sale of spare parts in the automotive sector.

List of eligible activities linked to capital expenditure (CapEx):

For the first two environmental objectives i.e. climate change mitigation and climate change adaptation:

- 6.5 Transport by motorbikes, passenger cars and commercial vehicles,
- 7.6 Installation, maintenance and repair of renewable energy technology systems,
- 7.7 Acquisition and ownership of buildings.

Of the eligible activities, activity 7.6 was found to comply with the criteria of the EU Taxonomy. Below is a description of the process for determining compliance with the technical eligibility criteria set out in *Regulation (EU) 2021/2139 regarding substantial contributions to climate change mitigation and adaptation, the principle of not causing significant harm and the Minimum Safeguards set out in EU Regulation 2020/852*.

(in thousand PLN)

Substantial contribution to climate change mitigation

Regulation (EU) 2021/2139 established the criteria for a substantial contribution to climate objectives. For the identified activities described in

- 7.6 *Installation, maintenance and repair of renewable energy technology systems.*

In the aforementioned case, the individual analysis carried out covered all criteria for a significant contribution to mitigation. Activity 7.6 conducted in Poland was found to meet all the required criteria, for activity 6.5 the technical criteria were found to be met, but the DNSH criteria were not met.

Do No Significant Harm (DNSH)

Regulation (EU) 2021/2139 also established for each activity the principles of not causing significant environmental harm within other environmental objectives. The main purpose of the “do no significant harm” principle is to ensure coherence between the different objectives of the Taxonomy, as well as to prevent situations where a particular environmental objective is pursued at the expense of the other objectives.

The DNSH criteria in the Inter Cars Group were analysed individually for each activity meeting the criteria for significant contribution. An analysis of the climate prediction maps for each activity location and other DNSH criteria for these activities was carried out. This made it possible to determine that each of the activities meeting the criteria for a significant contribution does not cause serious harm to the other environmental objectives.

Compliance with the Minimum Safeguards

In accordance with Article 18 of *Regulation 2020/852*, it was established that in 2024, the Group's operations were conducted in accordance with the Minimum Safeguards. The Minimum Safeguards cover all procedures within the Group to ensure compliance with, among other things, the *OECD Guidelines for Multinational Enterprises* and the *United Nations Guiding Principles for Business and Human Rights*. The compliance was further assessed based on the interpretation of the Sustainable Finance Platform (*Final Report on Minimum Safeguards*), which indicated that an undertaking is considered to operate in breach of the Minimum Safeguards if it has not implemented a human rights due diligence process, or if there have been violations confirmed by decisions or judgements regarding the Minimum Safeguards. The Minimum Safeguards relate to four core areas: human rights, corruption/bribery, taxation and fair competition. In addition, Article 18(2) requires companies to take into account the principal adverse impact disclosures on social and labour issues, respect for human rights, and anti-corruption and bribery listed in the SFDR. The Inter Cars Group was assessed in terms of having human rights due diligence procedures in place. As regards the other three areas, the Group was assessed in terms of having adequate procedures in place and in terms of any court-determined violations on the part of the Inter Cars Group or its management.

The application of the responsible conduct standards is an integral part of the Inter Cars Group's culture. These standards are also reflected in its internal procedures and processes. The Group's basic policies in this regard are laid out in the following documents: *Goods Purchase Policy of Inter Cars Group* and the *Code of Conduct and Good Market Practices of the Inter Cars Group*. Activities in this area are continuously monitored, developed and integrated within the Group's structures. Based on the analysis, it was concluded that the criteria for Minimum Safeguards had been met. A detailed description of the human rights due diligence processes is included in chapter 4.1 *Business conduct [ESRS G1]*

Calculation of key performance disclosures

For the purpose of determining the share of the qualifying activities relative to the Group's total activities, revenues, capital expenditure (CapEx) on assets or processes and operating expenditure (OpEx) incurred in qualifying activities were analysed. In the case of the Inter Cars Group, activities were identified as qualifying for qualify for more than one environmental objective, while no financial item was taken into account more more than once, which eliminated the risk of double counting. It is worth noting that the Group's activities hardly qualify for the systematics of the EU Taxonomy, hence the key performance disclosures are small. For 2023, the Group qualified for the systematics of the Taxonomy more activities, but for 2024 there were no key performance disclosures related to these activities.

(in thousand PLN)

Turnover

The Group has not identified activities that would generate turnover in 2024. This is due to the business model in which the Inter Cars Group is a distributor of spare parts in the automotive sector. These activities are not included in the activities that qualify for the taxonomy systematics. Activities 6.5, 7.6 and 7.7 are carried out for own use and the Group does not generate revenue directly from these activities. The vehicles acquired under 6.5 form part of the fleet of vehicles used for the activities. The photovoltaic installation built under activity 7.6 is used to meet the energy needs of the warehouse located in Cząstków Mazowiecki. Activity 7.7 is related to the rental (leasing) of warehouse space.

Capital expenditure (CapEx)

An analysis of all capital expenditures (CapEx) included in the consolidated financial statements (Note 7, Note 8, Note 9 in the *Annual Consolidated Report on Property, Plant and Equipment, Use Rights and Intangible Assets*) shows that expenditures classified under the EU Taxonomy amount to PLN 443,341 thousand, representing 44.4% of all expenditures incurred by the Group. Technically compliant expenditure represents 0.13% (PLN 1,039k) of the Group's total capital expenditure (CapEx) in FY2024. Additions related to property, plant and equipment, internally generated intangible assets, additions relating to investment properties acquired or recognised at carrying value and, where applicable, capitalised right-of-use assets (there were no additions relating to acquisitions due to business combinations). The key performance disclosure denominator related to capital expenditure (CapEx) amounts to PLN 797,161 thousand (Note 7, Note 8, Note 9 in the *Annual Consolidated Statement of Property, Plant and Equipment, Right of Use and Intangible Assets*).

In 2024, the change in the percentage of compliance for activity 7.7 Acquisition and ownership of buildings changed from 2023, as the assets acquired did not meet the technical criteria for this activity.

Eligible and compatible capital expenditure (CapEx) is linked to the following types of economic activity:

Eligible activities:

- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles),
- 7.6 Installation, maintenance and repair of renewable energy technologies,
- 7.7. Acquisition and ownership of buildings.

Compliant activities:

- 7.6 Installation, maintenance and repair of renewable energy technology systems (including capital expenditures related to the construction of a photovoltaic power plant within the operations of Inter Cars Group units in Poland).

Operating expenditure (OpEx)

The EU Taxonomy shows that not all expenses of an operational nature meet the requirements of the EU Taxonomy for OpEx costs. The expenses that we have identified as OpEx costs primarily relate to repairs and maintenance. The Company has decided to use the exemption to present individual OpEx KPIs for individual activities as for its business model OpEx costs are not relevant. The Group is a trading business and has no significant plant and equipment. The key performance disclosure denominator in relation to operating expenses (OpEx) amounts to PLN 20,719k, representing a 0.75% share of selling, general and administrative expenses included in the consolidated financial statements (note 24). This percentage only includes costs defined by the Taxonomy as OpEx costs.

Accounting principles

Descriptions of the three key performance disclosures are set out below.

Capital expenditures deemed to be in line with the systematic approach are primarily additions recognised in accordance with *IAS 16 Property, Plant and Equipment* (e.g. photovoltaic installation).

The calculation of the ratios for the Group took into account the relevant consolidation exclusions used in the preparation of the financial statements.

(in thousand PLN)

Turnover

Under the Taxonomy, turnover includes revenue recognised in accordance with *International Accounting Standard (IAS) 1.82(a)*. Currently, the Group does not generate revenue from the activities included in the Taxonomy systematic. The identified activities that qualify for the Taxonomy do not directly generate revenue, but are used to conduct business.

Capital expenditure (CapEx)

In accordance with the Taxonomy, the denominator includes additions to property, plant and equipment and intangible assets during the financial year before depreciation, amortisation and any revaluations, including those arising from revaluations and impairments, for the financial year, excluding changes in fair value. The denominator also includes additions to property, plant and equipment and intangible assets resulting from business combinations, with no mergers taking place in 2024. In addition to the above, increases in right-of-use assets and increases in investment properties are also included in the denominator on a similar basis. The individual values are presented in the consolidated financial statements as at 31.12.2024 (more specifically, in the Notes to the Annual Consolidated Financial Statements):

- Property, plant and equipment - Note 7 (recognised under IAS 16 Property, plant and equipment and shown under Acquisitions),
- Right of use - Note 8 (recognised under IFRS 16 Leases and shown under Leases in note 6 and under Additions in note 7),
- Intangible assets - Note 9 (recognised under IAS 38 Intangible Assets and shown under Acquisitions),
- Investment property - Note 11 (recognised under IAS 40 Investment Property).

As regards the qualifying and Taxonomy-eligible activities, the numerator is equal to the portion of the capital expenditure included in the denominator incurred in relation to a given activity. Expenditures incurred on activities qualifying under the Taxonomy, capital expenditures that are part of the plan ("CapEx plan"), and the purchase of products from business activities qualifying under the Taxonomy, as well as individual measures enabling the target activity to become low-emission or to reduce greenhouse gas emissions.

The Inter Cars Group does not have a capital expenditure plan. Capital expenditure on systematic activities related to activity 7.6. There were no increases in CapEx in 2024 as a result of business combinations.

Operating expenditure (OpEx)

The denominator includes direct, non-capitalised costs associated with research and development, building refurbishment activities, short-term leases, maintenance and repairs, and any other direct expenditure associated with the day-to-day operation of tangible fixed assets by the company or a third party outsourced to ensure the continued and efficient operation of those assets. The following expenditure categories were included in the denominator of the operating expenditure (OpEx):

- repair and maintenance of company cars and commercial vehicles,
- maintenance and repair of office and storage facilities,
- maintenance and repair of plant and machinery, including related service and consumables.

The company decided to use the exemption to present individual OpEx KPI's for individual activities, as for its business model OpEx costs are not relevant.

Disclosures related to activities involving nuclear energy and natural gas

In accordance with Article 8(6), (7) and (8) of Delegated Regulation 2022/1214, we disclose the relevant information related to activities involving nuclear energy and natural gas. It should be pointed out that Inter Cars Group has no exposure to natural gas or nuclear energy activities. Accordingly, the Group has decided not to publish disclosure tables showing zero values for key performance disclosures (Turnover, CapEx and OpEx) for its nuclear and natural gas operations.

(in thousand PLN)

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Economic activities (1)	Code(a) (2)	Absolute turnover (3) PLN	Proportion of turnover, 2024 (4) %	Substantial contribution criteria						DNSH criteria (Do No Significant Harm)						Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, 2023 (18) %	Category enabling activities (19) E	Category transitional activities (20) T
				Climate change mitigation (5) T; N; N/EL	Climate change adaptation (6) T; N; N/EL	Water and marine resources (7) T; N; N/EL	Pollution (8) T; N; N/EL	Circular economy (9) T; N; N/EL	Biodiversity (10) T; N; N/EL	Climate change mitigation (11) T/N	Climate change adaptation (12) T/N	Water and marine resources (13) T/N	Pollution (14) T/N	Circular economy (15) T/N	Biodiversity (16) T/N			
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
Turnover from environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0.00														0.00%		
Of which Enabling		0.00														0.00%	E	
Of which Transitional		0.00														0.00%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2.)		0.00	0	0%	0%	0%	0%	0	0%							0.00%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		0.00	0	0%	0%	0%	0%	0	0%							0.00%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																		
Turnover of Taxonomy non-eligible activities		19,473,078,000.00	100%															
TOTAL		19,473,078,000.00	100%															

(in thousand PLN)

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Economic activities (1)	Code(a) (2)	CapEx (3) PLN	Proportion of CapEx, 2024 (4) %	Substantial contribution criteria						DNSH criteria (Do No Significant Harm)						Minimum safeguards (17) T/N	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) activities CapEx 2023 (18) %	Category enabling activity (19) E	Category transitional activity (20) T
				Climate change mitigation(5) T; N; N/EL	Climate change adaptation (6) T; N; N/EL	Water and marine resources (7) T; N; N/EL	Pollution (8) T; N; N/EL	Circular economy (9) T; N; N/EL	Biodiversity (10) T; N; N/EL	Climate change mitigation (11) T/N	Climate change adaptation (12) T/N	Water and marine resources (13) T/N	Pollution (4) T/N	Circular economy (15) T/N	Biodiversity (16) T/N				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
7.7 Acquisition and ownership of buildings	CCM 7.7	0	0.0%	T	N/EL	N/EL	N/EL	N/EL	N/EL	T	T	T	T	T	T	T	26.0%		
7.6 Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1,039,159	0.1%	T	N/EL	N/EL	N/EL	N/EL	N/EL	T	T	T	T	T	T	T	0.0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		1,039,159	0.2%	0%	0%	0%	0%	0%	0%	T	T	T	T	T	T	T	26.0%		
Of which Enabling		1,039,159	0.0%	0%	0%	0%	0%	0%	0%	T	T	T	T	T	T	T	N/A	E	
Of which Transitional		0	0.0%	0%	0%	0%	0%	0%	0%	T	T	T	T	T	T	T	N/A	T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)				EL;	EL;	EL;	EL;	EL;	EL;										
				N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										
6.5 Transport by motorbikes, passenger cars and light commercial vehicles)	CCM 6.5	29,125,000	3.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
7.7 Acquisition and ownership of buildings	CCM 7.7	353,820,159	40.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2.)		352,781,000	44.2%	44.2%	0%	0%	0%	0%	0%										
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		353,820,159	44.4%	44.2%	0%	0%	0%	0%	0%										
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		443,340,841.00	55.6%																
TOTAL		797,161,000.00	100%																

(in thousand PLN)

CapEx in line with and eligible for targets in 2024

Proportion of CapEx/Total CapEx		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	44.4%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

(in thousand PLN)

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Economic activities (1)	Code(a) (2)	OpEx (3) PLN	Proportion of OpEx, 2024 (4) %	Substantial contribution criteria						DNSH criteria (Do No Significant Harm)							Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, 2023 (18) %	Category enabling activity (19) E	Category transitional activity (20) T
				Climate change mitigation(5) T; N; N/EL	Climate change adaptation (6) T; N; N/EL	Water and marine resources (7) T; N; N/EL	Pollution (8) T; N; N/EL	Circular economy T; N; N/EL	Biodiversity (10) T; N; N/EL	Climate change mitigation (11) T/N	Climate change adaptation (12) T/N	Water and marine resources (13) T/N	Pollution (14) T/N	Circular economy (15) T/N	Biodiversity (16) T/N	Minimum safeguards (17) T/N			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0.00														0.00%			
Of which Enabling		0.00														0.00%	E		
Of which Transitional		0.00														0.00%	T		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL									
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2.)		0.00														0.00%			
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		0.00														0.00%			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy non-eligible activities		20,455,503.46	100%																
TOTAL		20,455,503.46	100%																

(in thousand PLN)

Activities related to nuclear energy and natural gas

Activities related to nuclear energy and natural gas		YES/ NO
Line	Activities related to nuclear energy	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Activities related to natural gas	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

(in thousand PLN)

2.2. CLIMATE CHANGE [ESRS E1]

TRANSITION PLAN TO REACH CLIMATE NEUTRALITY BY 2050 [E1-1]

In 2024, the Group did not adopt a transition plan within the meaning of ESRS, but began to prepare it by designing and implementing a *Decarbonisation Strategy*. The Group plans to be ready to adopt the plan in line with the implementation schedule of EU and national legislation in this regard.

The *Decarbonisation Strategy* is an integral part of the *Inter Cars Group's Sustainability Strategy*, approved by the Management Board of Inter Cars S.A. in September 2023.

The decarbonisation targets contained in the *Decarbonisation Strategy* have been verified by the *Science Based Targets initiative (SBTi)*, a global initiative allowing to set emissions reduction targets in line with the latest scientific findings on climate. Targets 1 and 2 were qualified by SBTi as being consistent with the 1.5°C pathway, meaning that they take into account limiting the global warming to 1.5°C in line with the Paris Agreement. Target 3 was also prepared in line with the SBTi criteria²³. The decarbonisation targets are described in the E1-4 disclosure.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL [SBM-3]

Resilience of the undertaking's strategy and business model in relation to climate change

The Inter Cars Group impacts the climate change by emitting greenhouse gases in the course of its own operations and the operations carried out across its value chain

A resilience analysis of the strategy and business model in relation to climate change was performed in 2024 for the Group's own operations and upstream and downstream value chains. The time horizons used in performing the resilience analysis are described in the IRO-1 disclosure.

The analysis included:

- identifying and assessing the physical risks associated with the climate using a climate scenario with high emissions (physical risks). These risks were assessed from the perspective of the Group's own operations and downstream and upstream of the value chain - including for the logistics business, where no significant risks were identified. Work on the structured resilience analysis will continue in accordance with the due diligence process;
- identifying and assessing the events related to the transition to a low-carbon economy using a scenario consistent with the Paris Agreement and limiting climate change to 1.5° C (transition risks). This part of the analysis took into account both the Group's own operations and the value chain operations.

The areas of uncertainty involved in analysing the company's resilience to climate change are multidimensional, as they arise from both uncertainties about future climate change and social, regulatory and technological responses to climate change. The Group has assessed climate change risks based on the available climate models or climate policies announced by regulators. The criteria for assessing climate risks are described in the IRO-1 disclosure. The analysis did not identify material physical risks. However, material transition risks were identified, and are detailed in chapter 1.5. *Management of material impacts, risks and opportunities*, the SBM-3 disclosure. A risk management approach was identified for material risks.

The Group monitors regulations and analyses trends and the introduction of new product lines that may fall under existing or planned new regulations as part of its risk mitigation activities.

²³ SBTi Corporate Near-term Criteria.

(in thousand PLN)

POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION [E1-2]

A policy related to climate change mitigation and adaptation is the *Decarbonisation Strategy* applicable across the Inter Cars Group. The overall objective of the *Decarbonisation Strategy* is to address the material impacts, risks and opportunities related to climate change. Detailed information on material impacts, risks and opportunities is provided in the SBM-3 section.

The strategy encompasses the Group's operations as well as upstream and downstream entities, in particular commodity suppliers²⁴ and branches.

The Management Board is the sponsor of the policy commitments. A number of projects have been planned as part of the Decarbonisation Strategy implementation, each having a designated coordinator. At least once a year, the coordinators report on the status of the projects, thus enabling the progress of the Strategy to be monitored.

ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICY [E1-3]

A list of key activities related to the implementation of the *Decarbonisation Strategy* undertaken in the reporting year and planned for the future is provided in the table below. The list includes the activities of Inter Cars S.A. and all Group companies, as well as its subsidiaries (downstream activities) and the Group's potential impact on its suppliers (upstream activities).

Key actions related to the implementation of the Decarbonisation Strategy

Key actions related to the implementation of the <i>Decarbonisation Strategy</i>	Anticipated effects	Measures implemented in 2024
Decarbonization lever: Transition to alternative (low-carbon) methods of heating warehouses and offices		
Introducing low-carbon heating systems in new buildings used by the Group.	Starting from 2030, all our new buildings will be carbon neutral.	Pilot study of the technical and financial feasibility of low-carbon heating systems for a new warehouse in the Group.
Decarbonization lever: Use of electricity from renewable energy sources		
Increasing the use of electricity from renewable energy sources.	By the end of 2030, we will supply 100% of our facilities in the European Union with electricity from RES.	Construction of a 1780 kW photovoltaic installation on a warehouse in Zakroczym
		Construction of a 350-kW photovoltaic installation in the Czosnów facility.
		Purchase of electricity from renewable energy sources by the following Group Companies and locations: <ul style="list-style-type: none"> - Inter Cars S.A., - ILS sp. z o. o., - Feber sp. z o.o., - Lauber sp. z o. o., - Warehouse in Będzin, - Warehouse in Sosnowiec, - Warehouse in Błonie, - Warehouse in Komorniki. - Warehouse in Romania.

²⁴ A goods supplier means a supplier who delivers trading goods to the Inter Cars Group.

(in thousand PLN)

Key actions related to the implementation of the Decarbonisation Strategy (cont.)

Key actions related to the implementation of the Decarbonisation Strategy	Anticipated effects	Measures implemented in 2024
		The Inter Cars Group and its Polish branches being parts of its value chain operate within a purchasing group in Poland with a view to purchasing electricity from renewable energy sources. In 2024, 34 subsidiaries benefited from obtaining energy from renewable sources, purchasing a total of 11 490 MWh of electricity
Decarbonization lever: Energy efficiency		
Introduction of sustainable building certificates at the Inter Cars Group locations.	From the beginning of 2026, all new warehouse buildings will be BREEAM (excellent) or LEED (>=platinum) certified.	Obtaining a BREEAM certificate of very good rating ²⁵ for a new warehouse in Zakroczym.
		Pilot technical and financial analysis of the requirements for an excellent level BREEAM certificate for the Group's new warehouse investment.
Decarbonization lever: Reducing the fleet emissions		
Reducing fuel consumption in company cars	Reducing emissions from company car use by 2030.	Carrying out an analysis of the potential to replace the fleet with a zero-emission fleet at Inter Cars S.A.
Decarbonization lever: Decarbonising the supply chain		
Monitor the percentage of suppliers with decarbonisation targets	We are committed to encouraging suppliers accounting for 73% of our Scope 3, Cat 1, Cat 4 and Cat 9) emissions to set their own decarbonisation targets (consistent with a science-based approach) by 2028.	Review of the decarbonisation targets announced by Group suppliers.

No significant financial expenditure was made in 2024 towards key activities related to the implementation of the *Decarbonisation Strategy*. The Inter Cars Group's ability to achieve its decarbonisation targets depends on the availability and appropriate allocation of resources and, to a large extent, on the technical and market maturity of zero-carbon solutions²⁶.

Of all the measures described above, it was the purchase of electricity from renewable sources that contributed to the reduction in emissions. The reduction is presented in disclosure E1-4 (Climate change mitigation and adaptation targets).

CLIMATE CHANGE AN MITIGATION AND ADAPTATION TARGETS [E1-4]

Implementing the *Decarbonisation Strategy* requires emission reductions In pursuance of the SBTi methodology²⁷, Inter Cars Group has set two decarbonisation targets.

1. **For Scope 1 and 2 emissions:** Inter Cars commits to reduce absolute scope 1 and 2 GHG emissions by 42% by 2030 from a 2021 base year.

²⁵Certification in accordance with the guidelines (Technical Manual) of BREEAM International New Construction V6. Certificate number: BREEAM-0097-8908

²⁶ This regards primarily the following lever: transition to alternative (low-carbon) methods of heating warehouses and offices and reduction of the fleet emissions.

²⁷ SBTi Corporate Near-term Criteria

(in thousand PLN)

2. **For Scope 3 emissions:** Inter Cars commits that 73% of its suppliers by emissions covering category 1: Purchased goods and services; category 4: Upstream transportation and distribution; category 9: Downstream transportation and distribution; will set their science-based targets by 2028.

The scope 1 and 2 targets are absolute emissions reduction targets, while the scope 3 target is a supplier engagement target, meaning that the Group will increase the share of suppliers that set their own decarbonisation targets. The scope 3 target is not an absolute emissions reduction target, but will indirectly affect the Group's emissions reductions in scope 3. Both targets have been prepared in accordance with the scientific method, which has been confirmed by the SBTi initiative. Moreover, the scope 1 and 2 targets have been qualified by SBTi as compliant with the 1.5°C pathway, meaning that they take into account limiting global warming to 1.5°C in line with the Paris Agreement.

The target setting process required the involvement of the interested parties, including the *Decarbonisation Strategy* project coordinators.

The decarbonisation targets are consistent with the GHG inventory boundaries within disclosure E1-6 (Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions).

The targets are subjected to monitoring once a year during the carbon footprint calculation, which also helps to ensure that they remain aligned with the GHG inventory boundaries within disclosure E1-6 Scope 1, 2 and 3 gross GHG emissions and total GHG emissions

Sustainability targets related to climate change mitigation

	2021 (baseline value)	2024	2030 (target value)
For Scope 1 and 2 emissions [tCO ₂ e] (market-based)	20,391	13,764	11,827
Reduction achieved [%] (market-based)	N/A	-32% ²⁸	-42%

The baseline against which progress towards the target is measured is representative as it relates to 2021, a year in which no significant anomalies²⁹ were identified in the Group's operations.

The overall quantitative contribution to GHG reduction targets by decarbonisation lever is shown in the table below.

Decarbonisation levers

Decarbonisation lever	Percentage contribution to 2030 target in relation to the baseline year
For Scope 1 and 2 emissions³⁰	
Transition to alternative (low-carbon) methods of heating warehouses and offices	18%
Use of electricity from renewable energy sources	66%
Other Fleet emissions reduction and energy efficiency	16%

²⁸ Custom disclosure SLL – KPI 1.

²⁹ In 2021, the Group recorded a significant increase in sales, but it is not regarded as a one-off incident with a view to maintaining the trend in subsequent years. The Group's structure did not change significantly in 2021.

³⁰ The Inter Cars Group has decarbonisation levers for Scope 1 and 2 only.

(in thousand PLN)

The Inter Cars Group may adopt new technologies to pursue the decarbonisation levers, particularly those relating to the transition to alternative methods of heating offices and warehouses and reducing fleet emissions. The decision to use a particular technology will depend on its technical and market maturity.

ENERGY CONSUMPTION AND ENERGY MIX [E1-5]

The Inter Cars Group identifies the issue of energy consumption as material. Fuel and energy are consumed in the normal conduct of the Group's business and across its value chain.

Total energy consumption related to Inter Cars Group's operations by main sources in 2024

Energy consumption and energy mix	Inter Cars Group
Fuel consumption from coal and coal products [MWh]	0
Fuel consumption from crude oil and petroleum products [MWh]	16,938
Fuel consumption from natural gas [MWh]	25,933
Fuel consumption from other fossil sources [MWh]	0
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources [MWh]	11,634
Total energy consumption from fossil sources [MWh]	54,511
Share of fossil sources in total energy consumption [%]	75%
Total energy consumption from nuclear sources [MWh]	0
Share of energy from nuclear sources in total energy consumption [%]	0
Fuel consumption for renewable sources including biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renewable sources [MWh]	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources [MWh]	16,257
Consumption of renewable energy produced without fuel use [MWh]	1,733
Total energy consumption of renewable energy [MWh]	17,990
Share of renewable energy in total energy consumption [%]	25%
Total energy consumption [MWh]	72,501

Total fossil energy consumption in the sector with significant climate impact in the Inter Cars Group

Energy intensity per net revenue	2024
Total energy consumption for business activity purposed in sectors with significant climate impacts per net revenue of activities in high climate impact sectors ³¹ [MWh/1 million PLN]	3.72

GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS [E1-6]

The Inter Cars Group identifies the area of greenhouse gas emissions as material. The emissions arise both from its own operations and from the Group's value chain.

³¹ Net revenues from activities in sectors with significant climate impacts (total net revenues from Inter Cars Group activities have been classified, revenues from activities not classified in sectors with significant climate impacts are not material) – Note 5 in the *Consolidated Annual Report for the Period from 1 January to 31 December 2024*.

(in thousand PLN)

GHG (greenhouse gas) emissions were calculated according to the standard prepared by the Greenhouse Gas Protocol (GHG Protocol)³². The reporting system for which they were calculated covers the annual cycle from January 1, to December 31, 2024. The Inter Cars Group uses the operational control method as an approach to consolidate emissions³³. The data extracted for the calculations comes from cost invoices, fuel consumption reports, corporate management system readings. The results of the meters have not been validated by an external body.

The emission factors used to calculate GHG emissions were taken from international publicly available databases. The tools used in the calculation included DEFRA, KOBIZE, URE, World Bank Balance, European Energy Agency and Exiobase. The emission factors include 7 greenhouse gases: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃. The most recent global warming potential values published by the IPCC on a 100-year time horizon were used to calculate the carbon dioxide equivalent emissions of gases other than CO₂.

According to the "Procedure for calculating the carbon footprint in the Inter Cars Group", it is permissible to calculate the carbon footprint on the basis of an estimate of consumption. This estimation is then carried out based on comparative data and/or reliable and documented assumptions. The estimated data for Scopes 1 and 2 include the consumption of utilities for buildings for which actual data was not available. The most common reason for the lack of actual data is the inclusion of the price for utilities in the rental costs. Three types of estimation were used: price estimation (based on the average price per unit), area estimation (based on average utility consumption per m² of building area) and CRREM estimation (based on the CRREM tool dedicated to the real estate sector).

For scope 3, the estimation methods listed were also used. For Cat 9, in the case of mobile fuels, emissions are calculated based on the actual data. For the consumption of stationary fuels, electricity and district heating, the data is estimated, based on actual data for the locations in Scopes 1 and 2. For each country, comparative data is calculated - the average fuel and energy consumption per square metre of a facility area. This benchmark data is then used to estimate consumption at the branches. Therefore, estimates of scope 3 GHG emissions have a high level of measurement uncertainty.

A materiality analysis of the various Scope 3 categories was carried out in 2025. Two aspects were considered during the materiality assessment:

- materiality by the type of operations carried out by the Inter Cars Group;
- materiality by the share of emission in a given category in Scope 3 emissions. The materiality threshold adopted is 1%.

A category is considered material, if at least one of these aspects is found material.

³² The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. Revised Edition. Link:

<https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

GHG Protocol: Scope 2 Guidance. An amendment to the GHG Protocol Corporate Standard. Link:

<https://ghgprotocol.org/sites/default/files/2023-03/Scope%20%20Guidance.pdf>

The Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Supplement to the GHG Protocol Corporate Accounting and Reporting Standard. Link:

https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporting-Standard_041613_2.pdf

³³ The method of data consolidation, i.e. the determination of reporting boundaries and the classification of emissions into emission ranges according to the standard prepared by the GHG Protocol, follows the operational control method. An undertaking has operational control over an activity if it, either by itself or through a subsidiary, has full authority to implement and enforce its operational policies within that activity. The scope of consolidation is therefore the same as the scope of consolidation of the Sustainability Statement described under disclosure BP-1 and BP-2.

(in thousand PLN)

Scope 3 category materiality assessment

No.	Scope 3 category	Details	Materiality
1	Purchased goods and services	1. Materiality due to the type of operations carried out by Inter Cars Group, based on the sale of purchased products. 2. The highest share of emissions in this Scope 3 category in 2024 exceeds 80%.	Yes
2	Capital goods	1. Materiality due to the type of operations carried out by Inter Cars Group, which require investment to develop logistics services. 2. Material share of emissions in this Scope 3 category in 2024 (3%).	Yes
3	Fuel- and energy-related activities not included in Scope 1 or Scope 2	1. Materiality due to the nature of the Inter Cars Group's business (transport and distribution of goods). 2. Negligible share of emissions in this Scope 3 category in 2024 (0.2%).	Yes
4	Upstream transportation and distribution	1. High materiality due to the nature of the Inter Cars Group's operations, which use external transport services to distribute products. 2. Material share of emissions in this Scope 3 category in 2024 (8%).	Yes
5	Waste generated in operations	1. Low materiality due to the relatively low generation of waste in the Inter Cars Group's operations. 2. Negligible share of emissions in this Scope 3 category in 2021-2023 (approximately 0.01%).	No
6	Business travel	1. Low materiality due to the type of operational activities carried out, which do not require a lot of business travel from the Inter Cars Group employees. 2. Negligible share of this category of Scope 3 emissions in 2021-2023 (0.01%).	No
7	Employee commuting	1. Low materiality due to the fact that most of the employees live nearby. 2. Negligible share of this category of Scope 3 emissions in 2021-2023 (approx. 0.4%).	No
8	Upstream leased assets	1. Low materiality due to the type of operational activities carried out, which do not include the lease of assets. 2. Negligible share of emissions in this Scope 3 category in 2024 (0.04%).	No
9	Downstream transportation and distribution	1. High materiality due to the type of operational activities carried out by the Inter Cars Group, which are based on the activities of distributors. 2. Material share of emissions in this Scope 3 category in 2024 (1.6%).	Yes
10	Processing of sold products	Not applicable - see the Procedure for calculating the carbon footprint at the Inter Cars Group.	N/A
11	Use of sold products	1. High materiality due to the fact that the category makes up the life cycle of the products sold 2. Material share of emissions in this Scope 3 category in 2024 (2.7%)	Yes
12	End-of-Life treatment of sold products	1. High materiality due to the fact that the category makes up the life cycle of the products sold 2. Negligible share of emissions in this Scope 3 category 2024 (0.2%)	Yes
13	Downstream leased assets	1. Low materiality due to the type of operational activities carried out, which do not include the lease of assets. 2. Negligible share of emissions in this Scope 3 category in 2024 (0.04%).	No
14	Franchises	Not applicable - see the Procedure for calculating the carbon footprint at the Inter Cars Group.	N/A
15	Investments	1. Low materiality due to the relatively low share of Scope 1 and 2 in the case of jointly controlled companies in total fuel and energy consumption in the Inter Cars Group. 2. Negligible share of emissions in this category in 2021-2023 (<0.01%).	No

(in thousand PLN)

Scope 1 and 2 GHG emissions in the Inter Cars Group

GHG emissions	2021 (baseline year)	2024	Change yty [%]
GHG emissions			
Gross Scope 1 GHG emissions [t CO ₂ e]	9,718	8,730	-10.0%
GHG emissions			
Gross Scope 2 GHG emissions, market-based [t CO ₂ e]	10,673	5,034	-53%
Gross Scope 2 GHG emissions, location-based [t CO ₂ e]	10,138	11,561	+14%

Material Scope 3 GHG emissions in the Inter Cars Group (market-based)

GHG emissions	2024
Total indirect Scope 3 GHG emissions [t CO ₂ e]	1,861,961
1. Purchased goods and services [t CO ₂ e]	1,483,506
2. Capital goods [t CO ₂ e]	67,632
3. Fuel- and energy-related activities not included in Scope 1 or Scope 2 [t CO ₂ e]	3,683
4. Upstream transportation and distribution [t CO ₂ e]	199,609
9. Downstream transportation and distribution [t CO ₂ e]	38,303
11. Use of sold products [t CO ₂ e]	66,465
12. End-of-Life treatment of sold products [t CO ₂ e]	2,763

Total GHG emissions in the Inter Cars Group

GHG emissions	Information regarding the future		
	2021 baseline year	2024	Change YTY [%]
Total GHG emissions, location-based [t CO ₂ e]	1,462,634	1,880,549	28.6%
Total GHG emissions, market-based [t CO ₂ e]	1,463,169	1,875,725	28.2%

The greenhouse gas intensity was calculated as the total greenhouse gas emissions (sum of Scope 1, 2 and 3) related to the net revenue of the Inter Cars Group.

The measurement of GHG intensity is not validated by an external body.

GHG intensity per net revenue

GHG intensity per net revenue ³⁴	2024
Total GHG emissions per net revenue, location-based. [t CO ₂ e/k PLN]	0.096
Total GHG emissions per net revenue, market-based, [t CO ₂ e/k PLN]	0.096

³⁴ Net revenues – Note 5 in the *Consolidated Annual Report for the Period from 1 January to 31 December 2024*.

(in thousand PLN)

GHG REMOVAL AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS [E1-7]

In 2024, the Inter Cars Group did not carry out activities to permanently remove or actively promote the removal of greenhouse gases from the atmosphere.

INTERNAL CARBON PRICING [E1-8]

Throughout 2024, the Inter Cars Group did not use an internal carbon pricing system for its climate change impact management processes.

2.3 RESOURCE USE AND CIRCULAR ECONOMY [ESRS E5]

POLICIES RELATED TO RESOURCES USE AND CIRCULAR ECONOMY [E5-1]

The circular economy concept is embedded the Inter Cars Group's vision focused on ensuring safe and long-lasting use of cars. The *Inter Cars Group's Sustainability Strategy* and the dual materiality analysis process treat circular economy as one of the priorities with regard to which the Group makes commitments and sets measurable targets for the years to come. In addition, a Remanufacturing and Circular Economy Department has been established at Inter Cars S.A.. Its primary aim is to develop and coordinate Inter Cars' offer of remanufactured products. The department, coordinated by the Remanufacturing and Circular Economy Director, has identified areas of significant impacts, risks and opportunities from the point of view of circular economy in 2024, which will result in the development of a circularity policy. Until it is adopted, Inter Cars Group companies continue to operate based on the objectives set out in the *Sustainability Strategy*, taking into account European and national regulations related to circular economy and waste management.

In the Inter Cars Group, the circular economy matters are also governed by other documents which do not meet the MDR-P³⁵ requirements specified below.

Occupational Health and Safety and Environmental Protection Policy in Inter Cars Capital Group requires all employees to minimise the negative impact of operations on the environment. This particularly relates to reducing the consumption of resources, water or electricity during work.

The ILS Company pursues an ***Environmental Policy***, which sets out ILS's strategic objectives, such as rational management of water, resources, waste and energy, and reducing emissions of pollutants and noise. The document includes, among other things, the company's commitment to increase the environmental awareness of its employees, promote environmental activities among suppliers and use technologies that ensure the minimisation of emissions of harmful substances into the environment.

Since 1021, ILS has been using an **environment management system** compliant with ISO 14001:2015. Its implementation was preceded by, among other things, an analysis of the company's direct and indirect impact on the environment and a review of its compliance with the requirements of environmental legislation.

In 2024, ILS successfully underwent an ISO 14001:2015 environmental management system recertification audit. The scope of the certification included logistics services - warehousing, packaging and supply chain management of goods to customers. The audit was conducted by the certification company DEKRA.

The Inter Cars Group's decision on foregoing the use of primary resources, including the relative increase in the use of secondary resources, was disclosed in the E5-2 disclosure with regard to the sale of remanufactured parts.

³⁵ The policies do not directly address the impacts, risks and opportunities identified in the course of the dual materiality screening process. They address them in a limited and indirect way.

(in thousand PLN)

ACTIONS AND RESOURCES IN RELATION TO RESOURCE USE AND CIRCULAR ECONOMY [E5-2]

The Inter Cars Capital Group carries out actions related to resource use and circular economy, focusing mainly on the following three areas:

- sale of remanufactured parts and reverse logistics of cores,
- garage waste collection,
- Extended Producer Responsibility.

The above-mentioned actions are conducted on an ongoing basis and address the identified impacts, risks and opportunities. In 2024, the Group did not have a separate plan for capital and operating expenditures in this area as these activities were part of the operational activities carried out by the Inter Cars Group.

Sale of remanufactured parts and reverse logistics of cores

The Inter Cars Group offers customers an extensive portfolio of remanufactured parts. This area is handled by the Remanufacturing and Circular Economy Department, which:

- liaises with suppliers of remanufactured parts and is responsible for their verification,
- builds knowledge of remanufactured parts and awareness of the benefits of their use in vehicle repair among the Inter Cars Group employees, business partners and customers,
- handles the promotion and sale of remanufactured parts,
- supervises the quality of the remanufactured products offered.

Lauber, one of the suppliers of remanufactured parts, offers more than 10,000 components in the following product lines: alternators, starters, manual and power steering transmissions, brake callipers, power steering pumps and diesel injectors.

Core circulation of remanufactured parts

The Remanufacturing and Circular Economy Department designs and implements an effective system for returning cores to manufacturers of regenerated parts, so that they can be (after disassembly by a mechanic, verification by Inter Cars, and regeneration by the manufacturers of regenerated parts) used multiple times to repair vehicles.

The Group has established targets related to the level of return of cores to remanufactured parts suppliers, which are indicated in disclosure E5-3, due to their connection with sustainable financing indicated in section 1.3 Strategy.

Due to the existing regulatory risks described in Chapter 1.5. *Management of material impacts, risks and opportunities*, the Management Board of Inter Cars S.A. monitors the regulatory environment on an ongoing basis. For more information, see Management's Report on Operations for the year ended December 31, 2024, under Item 25. Events that may significantly affect the issuer's future financial results and events after the balance sheet date.

Garage waste collection service

In Poland, Inter Cars also offers a Bio Service, i.e. dedicated support for garages in comprehensive and compliant waste management.

The Bio Service includes, among other things:

- collection of hazardous and non-hazardous waste directly from garages, in a comprehensive and professional manner, in compliance with legal requirements,
- proper management of the waste collected, in accordance with the waste management hierarchy,
- an opportunity to benefit from consultations with experts in the field of wide-ranging environmental law, including assistance in preparing the necessary waste management documentation,
- a favourable refund system resulting in reduced costs for the waste collection and recycling service,
- provision of solutions to improve the efficiency of waste management in garages.

(in thousand PLN)

In 2024, more than 1,145 garages cooperated with the Bio Service, including 282 new contracts signed in Poland. The following waste was collected from them as part of the cooperation:

- almost 836,000 tyres, 86% of which were recovered and recycled (of which 627,000 were recovered and 94,000 recycled),
- over 1.64 million kilograms of batteries were sent for recycling,
- nearly 857,000 kilograms of other waste,
- nearly 429,000 kilograms of waste oil,
- 95,72 thousand kilograms of iron and steel, and over 3 thousand kilograms of aluminium.

Extended Producer Responsibility

The Inter Cars Group holds 33% of shares in Partslife International Kft. which operates in Poland through its subsidiaries: Partslife Polska Organizacja Odzysku Opakowań S.A. and Partslife International Polska Sp. z o.o. The objective of **Partslife Polska OOO S.A.** is to support entrepreneurs in fulfilling their statutory Extended Producer Responsibility (EPR) obligations. The company offers to:

- take over the obligation to recycle packaging waste from entities dealing in the marketing of packaged products,
- take over the obligation to recover and recycle post-consumer waste from entities marketing oils, lubricants and pneumatic tyres,
- take over the obligation to collect, process and recycle batteries,
- take over the responsibility for public education campaigns,
- provide full reporting to the marshal's office on packaging, products, batteries marketed,
- provide comprehensive environmental advice on current environmental legislation and related acts, as well as all procedures related to the application of this legislation in practice.

Partslife Polska OOO S.A., S.A. as a packaging recovery organization, takes over the obligations of introducing packaging and products onto the Polish market for selected companies within the Group: Inter Cars S.A., ILS, Q-Service, Q-Service Truck, Feber, Armatus.

In 2024, Partslife achieved the statutory recovery and recycling levels for the Inter Cars Group:

- recycling for 18,202,906.14 kg of packaging,
- recovery for 16,145,366.25 kg and recycling for 4,444,106.72 kg of products (oils, lubricants, tyres).

TARGETS RELATED TO RESOURCE USE AND THE CIRCULAR ECONOMY [E5-3]

As part of its *Sustainability Strategy*, in the *Automotive Parts* pillar, the Inter Cars Group has set voluntary targets related to resource efficiency and circular economy (CE), covering the entire value chain. As a spare parts distributor, the Inter Cars Group has set targets relevant to its business. The targets set are not based on conclusive scientific evidence.

Activities in the area of developing the remanufactured parts segment take place across the upstream and downstream value chain, involving both in-house operations and cooperation with suppliers and customers. By contrast, the objective of responsible waste management is pursued by involving business partners in the downstream value chain, helping to reduce their environmental impact. The objectives are not prioritised.

Information on the target-setting methodology and a detailed description of this process is disclosed in Chapter 1.3 *Strategy* in the SBM-1 disclosure in the *Sustainability Strategy*.

(in thousand PLN)

Sustainability targets related to Circular Economy

Commitment resulting from the Strategy	Targets/commitments	Target achievement level
<p>1B: As a market leader, we will actively drive development of car parts re-manufacturing segment and the sale of used car parts while shaping customer preferences around circularity and minimizing the influence of our packaging on the environment.</p>	<ul style="list-style-type: none"> - By the end of 2026, we will increase the sales of remanufactured and used parts by 100% (compared to the sales level in 2022). - By the end of 2030, we will achieve an 80% annualised level of core returns (in the B2B market). - We will increase to min. 80% share of recyclate in the composition of unit packs of remanufactured and used products. 	<ul style="list-style-type: none"> - In 2024, sales of remanufactured and used parts were increased by approximately 50% compared to 2022. - In 2024, a 47.8 per cent core return rate (in the EU business customer market) was achieved. - In 2024, negotiations began with product packaging suppliers related to increasing the proportion of recyclate in the unit composition of these packages.
<p>3B: We will manage waste responsibly and reduce its mass through circularity and innovation.</p>	<ul style="list-style-type: none"> - Each year we will increase the ratio of garages handing over waste (at least once every two years) according to the contract with Bio Service by 5% (compared to 2023 ratio)³⁶. 	<ul style="list-style-type: none"> - In 2024, the percentage of garages handing over waste at least once every two years (compared to 2023) increased by 10%.

The Group's 3B target is in line with the waste management hierarchy³⁷, i.e. waste prevention and preparation for reuse (core reclamation, weight reduction) are used first, followed by recycling other recovery processes (use of recyclate in packaging).

RESOURCE OUTFLOWS [E5-5]

In the case of the Inter Cars Group's activities, the waste generated in the course of its business has a significant impact on the environment. The Group is engaged in distribution activities and does not identify material impacts, risks and opportunities in other topics related to circular economy.

The Group's activities mainly generate industrial waste, such as cardboard, plastic and wood packaging, as well as tyres or batteries. Waste management is carried out under strict control, in accordance with the applicable law. The Group applies uniform rules for waste classification and recording: in Poland in accordance with the Regulation of the Minister of Climate on the waste catalogue, in companies belonging to the European Union in accordance with the European Waste Codes (EWC), and for other companies in accordance with their national counterparts. A single established formula for collecting waste data is used for all companies, specifying the individual types of waste. In Polish companies, data is verified in the national waste database BDO, through which a report on the quantities and types of waste produced is drawn up.

The Group only cooperates with waste collectors holding waste management authorization required by law.

The total weight of the outflows was calculated on the basis of actual data. In Polish companies, the data were entered on the basis of KPO waste transfer notes and a report on waste generated from the BDO waste database. Foreign companies used source documentation such as invoices or internal waste monitoring systems. The weight of recyclable materials was estimated based on an expertise prepared by the Inter Cars Group specialists and experts in recovery management.

³⁶ Due to changes in the regulatory environment, the target will be reviewed in 2025.

³⁷ Art. 4. 1 of Directive 2008/98/EC (Waste Directive)

(in thousand PLN)

In 2024, a total of 14,745 Mg of waste was generated in the IC Group. 12,736 Mg of waste was recycled.

Total weight of hazardous and non-hazardous waste generated by type of waste in 2024

Type of waste	Total weight of hazardous waste generated [Mg]	Total weight of non-hazardous waste generated [Mg]	Total [Mg]
Distribution			
Packaging waste: cardboard	0	5,805	5,805
Packaging waste: plastics	0	474	474
Packaging waste: wood	0	5,467	5,467
Packaging waste: aluminium	0	7	7
Packaging waste: steel	0	716	716
Packaging waste: other	391	23	414
Batteries	633	0	633
Used electronic equipment	10	0	10
Tyres	0	484	484
Other waste	52	188	240
Total distribution	1,086	13,164	14,250
Production			
Oils	6	0	6
Fluids	59	0	59
Grinding materials, paints, solvents, other hazardous wastes	29	0	29
Grinding materials, plasma dust and other non-hazardous wastes	0	10	10
Packaging waste: cardboard	0	9	9
Packaging waste: plastics	0	2	2
Steel scrap, non-ferrous metal scrap	0	370	370
Rubber covers	0	10	10
Total production	94	401	495
TOTAL	1,180	13,565	14,745

(in thousand PLN)

Total weight of hazardous and non-hazardous waste by management method in 2024

Management method	2024	Unit
WASTE SENT FOR RECOVERY		
Hazardous waste	618	Mg
Preparation for reuse	0	Mg
Recycling	207	Mg
Other recovery operations	411	Mg
Non-hazardous waste	13,305	Mg
Preparation for reuse	550	Mg
Recycling	12,529	Mg
Other recovery operations	226	Mg
Total weight of waste sent for recovery	13,923	Mg
WASTE SENT FOR DISPOSAL		
Hazardous waste	562	Mg
Burning	0	Mg
Storage	0	Mg
Other disposal operations	562	Mg
Non-hazardous waste	260	Mg
Burning	0	Mg
Storage	56	Mg
Other disposal operations	204	Mg
Total weight of waste sent for disposal	822	Mg
Total weight of radioactive waste	0	Mg
TOTAL WEIGHT OF WASTE GENERATED	14,745	Mg
Total weight of hazardous waste	1,180	Mg
Total weight of non-recycled waste	2,009	Mg
Total percentage value of non-recycled waste	14%	%

(in thousand PLN)

3. WORKFORCE INFORMATION [ESRS E1 AND E5]

3.1. OWN WORKFORCE [ESRS S1]

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL [SBM-3]

The Inter Cars Group has analysed the impacts, risks and opportunities related to its own workforce resources³⁸ resulting from its type of business, model and *Business Strategy*. A significant, positive impact was identified for all persons employed in the Inter Cars Group - regardless of the form of employment or position held in the organisation's structure. A description of the impact, is presented in Chapter 1.5 Management of material impacts, risks and opportunities, under the SBM-3 disclosure, and the activities undertaken in this respect are described in the S1-4 disclosure [Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches]. The identified impacts, risks and opportunities related to own workforce are addressed in *the Sustainability Strategy*, which forms part of the Group's *Business Strategy*.

As part of the analysis of risks related to its own workforce, no operational activities or geographical areas of increased risk of the use of forced or child labour were noted. No risks or opportunities of high financial materiality were identified in this area either.

INTERESTS AND VIEWS OF STAKEHOLDERS [SBM-2]

In the Inter Cars Group's business model, the Management Board takes into account the interests, views and rights of its own workforce. The detailed processes for gathering views and taking them into account in strategies are described in the S1-2 disclosure – processes for engaging with own workforce and workers' representatives about impacts, as part of this disclosure.

PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS [S1-2]

The interests, views and rights of the Inter Cars Group's own workforce are taken into account on an ongoing basis in the business model and *Business Strategy*, the *Sustainability Strategy* and the projects implemented by the Group, thanks to, among other things, the views gathered through:

- a regular (annual) engagement and satisfaction survey,
- the "open door" initiative, enabling all persons employed in the Group to meet directly with members of the Management Board,
- quarterly meetings of the Management Board with the management team representatives from all subsidiaries.

In addition, Inter Cars S.A. and ILS have Works Councils (composed of seven and five members respectively), elected in free and universal vote. The Works Council were not involved in the double materiality assessment process due to the direct survey held among all employees. The Works Councils are not involved in decision-making related to the identified workforce impacts, as described in Chapter 1.5 *Managing material impacts, risks and opportunities*.

The Human Capital Director, reporting directly to the Management Board Member – Chief Financial Officer, is responsible for ensuring employee and non-employee engagement.

The fourth pillar of the *Sustainability Strategy* takes into account the projects through which the Group impacts is employees. The targets in this regard included in the *Strategy* are presented in the S1-5 disclosure [Targets related to managing material

³⁸ Own workforce includes all types of employment in the Inter Cars Group: employees and non-employees employed under: employment contract, civil law contracts, self-employed, managerial contracts, apprenticeships, through employment agencies.

(in thousand PLN)

negative impacts, advancing positive impacts, and managing material risks and opportunities] and in Chapter 1.3 *Strategy* in the SBM-1 disclosure.

To assess the level of employee engagement, the Inter Cars Group has adopted the eNPS disclosure³⁹, which measures employees' willingness to recommend their employer as a place to work. As part of the *Sustainability Strategy*, a target related to the level of the eNPS disclosure has been set, as described in Chapter 1.3. *Strategy*.

Employees are emailed a summary of the results of the engagement and satisfaction survey and information about the actions initiated to address the needs specified in the survey.

POLICIES RELATED TO OWN WORKFORCE [S1-1]

The Inter Cars Group has a working environment that complies with the applicable international law⁴⁰, ensuring respect for human rights, including employee rights. Employee issues are regulated through internal documents and procedures adopted within the Group. Each document has been adopted by the Management Board and is available to employees on the internal intranet. The adopted documents are linked to the identified impacts, risks and opportunities for the following topic: Working conditions, Equal treatment and opportunities for all and other work-related Rights, described in detail in Chapter 1.5 *Managing of material impacts, risks and opportunities*. The Group does not have structured processes for monitoring the policies in this area, but employees may file reports related to the policies through the whistleblowing system, described in detail in Chapter 4.1 *Business conduct* [ESRS G1], in the G1-1 disclosure [Business conduct policies and corporate culture]. The above-mentioned documents were not consulted with employees prior to their enactment, nor do they contain metrics related to human rights violations.

Human Capital Management Policy: sets out the objectives of Human Capital Management, describes the vision, culture and values of the Group.

Capital Group's Personnel Policy: describes the remuneration and bonus policy, the rules for conducting salary reviews and employee raises and benefits. It addresses the principles of creation of career paths, the competence requirements for individual positions and how they are described. It defines the employee appraisal system, organisational structure standards and the employee onboarding process. The Policy covers all persons employed in the Inter Cars Group and is implemented in all markets.

Code of Labour: this document lays out the provisions regulating the internal order at the workplace, i.e. Inter Cars S.A. - defining the rights and obligations of the employees related to the organisation and work order. Companies not obliged to formulate such regulations are guided by the Labour Code or local law depending on the country.

Regulations of the Employee Benefit Fund: describes the principles of creation and use of the social benefits fund. The Regulations relate to the employees of Inter Cars S.A.

Remuneration regulations: describes the remuneration principles from the point of view of the requirements of the Labour Code at Inter Cars S.A. Companies not obliged to formulate such regulations are guided by the Labour Code or local law depending on the country.

Occupational Health and Safety and Environmental Protection Policy in the Inter Cars Capital Group: sets out the principles adopted to take care of safety and ergonomics at work. The occupational health and safety rules are also described in more detail in the companies' internal regulations compliant the national law.

³⁹The Employee Net Promoter Score (eNPS) is an disclosure that measures employees' willingness to recommend an employer as a place to work.

⁴⁰ UN Guiding Principles on Business and Human Rights, the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises

(in thousand PLN)

Workplace Mobbing Prevention Policy: defines harassment and outlines the principles for reporting suspected harassment and conducting an internal investigation in the event a report to this effect is filed. The Policy applies to the Inter Cars Group and relates to all of its employees.

Internal communication rules: define the way in which the Group communicates. They indicate the communication channels and the information classes that should be communicated via the designated channels. Contains good communication practices and communication groups within the Inter Cars Group.

Inter Cars Group's Due Diligence Policy for Responsible Business Conduct: by adopting it, the Inter Cars Group committed itself to respecting human rights, in relation to the entire value chain, including its own workforce. For more information on the Policy, see Chapter 4.1 *Business conduct* [ESRS G1]

The Inter Cars Group does not have a policy promoting equality of opportunity or other means of enhancing diversity and inclusion, but it does have a target related to this topic included in its *Sustainability Strategy*. The Group supports the principles of diversity and equality among its employees and sees value in creating an environment with the broadest set of competencies and qualifications possible, where each person will have an opportunity to make the most of their unique potential; however, the Group does not plan to regulate the policies in this regard in a separate document in 2025.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS [S1-3]

Information on the processes to remediate negative impacts and channels for own workforce to raise concerns is disclosed in Chapter 4.1 *Business conduct* [ESRS G1], in the G1-1 disclosure [Business conduct policies and corporate culture].

TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS [S1-4]

Actions carried out to influence own workforce constitute continuous activities that address identified impacts, risks, and opportunities, and lead to achieving of the set objectives.

The Human Capital Director, the Human Capital Management Department and the HR units of each company are responsible for all actions impacting the workforce.

In order to achieve the level of the eNPS disclosure assumed in the *Sustainability Strategy*, the Inter Cars Group has taken measures with a view to:

Ensuring a safe workplace

The Group companies have health and safety management systems in place, aligned with national legislation, which include the identification of hazards in all areas of the business and the management of the associated risks. Each subsidiary has developed and implemented occupational health and safety policies in line with the national legislation, such as internal procedures, job instructions and risk assessments for individual workplaces.

Inter Cars S.A. has a Health and Safety Committee composed of the representatives of the employer and employees. Its meetings are held at least once every quarter and its tasks include: reviewing working conditions, periodic assessment of the state of health and safety, giving opinions on measures to prevent accidents at work and occupational diseases and formulating proposals for improving working conditions.

Improving staff competence

The Inter Cars Group offers employees a training programme aimed at developing the qualities and qualifications considered to be the most essential elements of the competence model. The offer includes training in soft skills and technical skills in the operation of programmes and systems used in the organisation. The Group has also introduced its own programme entitled *The Manager's Academy*, with a view to introducing a new leadership competencies model and creating optimised development plans designed to meet the needs of the executive team. In addition, the Group supports its employees in the use of external training modules.

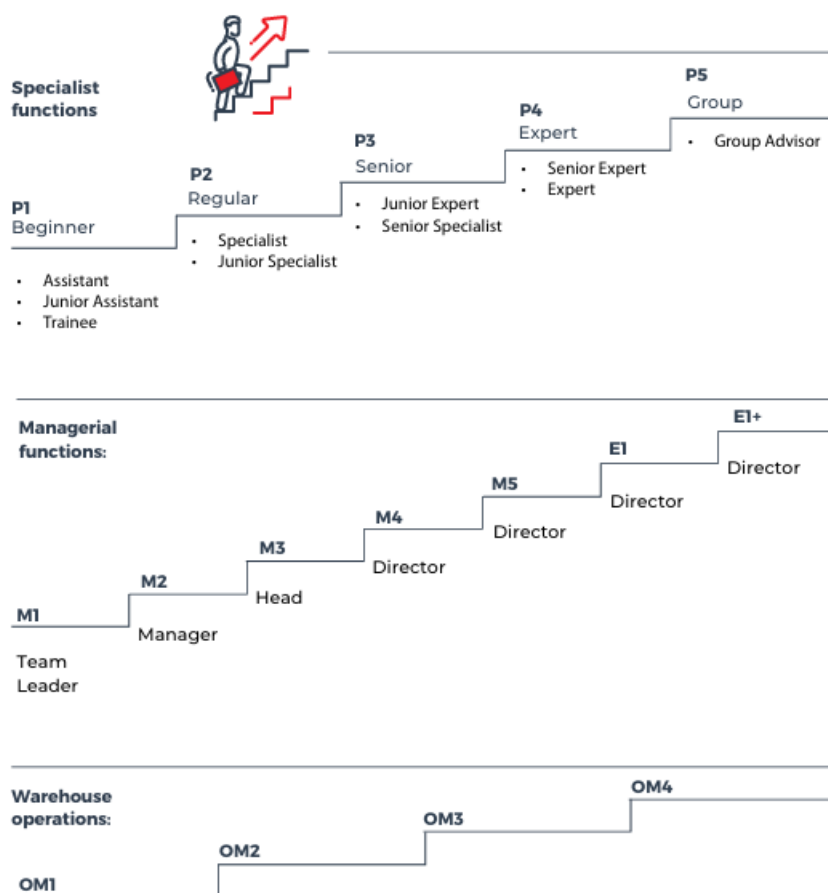
(in thousand PLN)

Key figures for 2024 - The Manager's Academy:

- a total of 58 training sessions were held (25 on-site training sessions, totalling 278 hours of training; 33 online sessions, totalling 66 hours of training),
- 108 managers participated in the on-site training,
- 50 managers participated in the online sessions.

Career paths

The Group enables its employees to acquire and develop their skills. To this end, the Group promotes the concept of career paths, which lays out the Group's career development principles in a systematic, transparent and comprehensive manner. They encourage each employee to plan their professional development path and acquire new skills and competencies. Employees have opportunities for both vertical and horizontal promotion - i.e. moving to another organisational unit, leaving the initiative and freedom of choice to employees.



Employee volunteering

Owing to the existence of the Inter Cars Foundation, the Inter Cars employees have the opportunity to participate in:

- volunteering events organized as part of the *Inter Dobro* program aimed at providing financial and expert support to employees' and associates of the Group,
- competence volunteering under the *Accelerator* mentoring programme as part of which they take part in a competence survey, receive training and expert support.

Key figures for 2024:

- 138 volunteers,
- 1,497 hours dedicated to volunteering,
- PLN 155,000 in support allocated to the implementation of voluntary projects.

(in thousand PLN)

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES [S1-5]

In the Inter Cars Group, the objectives relating to its own workforce are implemented in accordance with the *2021-2025 Human Capital Management Strategy* and the *Sustainability Strategy*. Both strategies were prepared with the participation of representatives of all subsidiaries.

The strategies address only selected areas of impact on the Group's own workforce, identified in the course of the dual materiality study (Working Conditions and Equal Treatment and Equal Opportunities for All). The identified objectives are not addressed directly in the policies disclosed in S1-1.

Information on the target-setting methodology and a detailed description of this process is disclosed in Chapter 1.3 *Strategy* in the SBM-1 disclosure in the *Sustainability Strategy*.

Sustainability targets related to own workforce

The 5 pillars of the Sustainability Strategy	Targets/commitments	Target progress level
4A: At Inter Cars Group, acting in line with our values, we care about the safety, diversity and skills of our employees at every level of the organisation.	<ul style="list-style-type: none"> - In our annual employee engagement survey, we will maintain the global eNPS result at a level of no less than 15%. - By the end of 2026 we will reduce the gender pay gap to max. 5%. 	<ul style="list-style-type: none"> - In the 2024 employee engagement survey, the global eNPS score reached 17%. - In 2024, the unadjusted gender pay gap, specified in the S1-16 remuneration metrics disclosure, was 15% (pay gap and total remuneration).
4B: We will continue to support the development of accessible, safe, and responsible mobility for people and the climate.	<ul style="list-style-type: none"> - By the end of 2030, we will have gathered a group of volunteers around the Foundation, who will have contributed a total of 6,000 hours of work for the implementation of social and environmental projects. 	<ul style="list-style-type: none"> - In 2024, volunteers contributed a total of 1,497 working hours to social and environmental projects at the Inter Cars Foundation.

CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES [S1-6]

In 2024, the Inter Cars Group directly employed (as at 31.12.2024) 5 261 employees, on a headcount basis. This figure includes all subsidiaries of the Group, excepting associated and jointly controlled companies, as they have not been identified as material. The Inter Cars Group identifies job security as an important topic on which it has a positive impact. 90% of the Group's employees are employed on a permanent basis.

The employee data disclosed in line with the S1 metrics come from the companies' internal systems and are collected and calculated centrally by Inter Cars S.A. The results of the meters have not been validated by an external body.

Inter Cars Group employees in 2024

Inter Cars Group employees by gender	2024
Women	1,562
Men	3,699
Total	5,261

(in thousand PLN)

Inter Cars Group employees by country in 2024

Country	Total number of employees in 2024
Poland	1,975
Ukraine	698
Romania	541
Croatia	351
Greece	325
Hungary	310
Czech Republic	263
Bulgaria	151
Slovenia	96
Slovakia	86
Bosnia and Herzegovina	78
Lithuania	75
Latvia	73
Moldavia	69
Serbia	56
Estonia	41
Albania	23
Italy	23
Germany	10
Belgium	6
Great Britain	6
Malta	5
Total	5,261⁴¹

Inter Cars Group employees by employment type and by working time in 2024

	Women	Men	Total
Total employees	1,562	3,699	5,261
Employees by employment type			
Permanent employees (total number)	1,387	3,372	4,759
Temporary employees (total number)	175	327	502
Non-guaranteed hours employees (total number)	0	0	0
Employees by working time			
Full-time employees (total number)	1,541	3,679	5,220
Part-time employees (total number)	21	20	41

⁴¹ Total number of employees - Note X in the Consolidated Annual Report for the period from January 1 to December 31, 2024.

(in thousand PLN)

Departures and employee turnover rate in 2024

Inter Cars Group	
Employee who have left the Company during the reporting period	
Women	329
Men	987
Total	1,316
Employee turnover [%]	
Women	21%
Men	27%
All employees	25%⁴²

In 2024, the largest increase in employment was recorded at Inter Cars Ukraine. This is due to changes in the company's organisational structure to increase the efficiency of business management in the current wartime regulatory environment. The current organisational structure includes the employment of key employees of Inter Cars Ukraine distribution points.

CHARACTERISTICS OF NON-EMPLOYEES IN THE UNDERTAKING'S OWN WORKFORCE [S1-7]

Due to the nature and scope of the work, the Group has also non-employees among its own workforce, including temporary staff, persons employed under service contracts (self-employment and persons providing external services, i.e. staff employed by external companies but performing work for the Group). Personnel outsourcing is mainly used in warehouse operations. The figures presented show the status as at 31.12.2024, on a headcount basis.

Non-employees in the Inter Cars Group own workforce in 2024

Inter Cars Group	2024
contract of mandate	106
task-specific contract	0
service provision contract (self-employment)	958
managerial contract	0
paid internship (for graduates)	7
unpaid internship (for graduates)	25
staff providing external services (outsourcing)	5,598
other	1
Total	6,696

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE [S1-8]

There are no collective bargaining agreements in Inter Cars S.A. The information on works councils is included in the S1-2 disclosure [Processes for engaging with own workforce and workers' representatives about impacts] and SBM-2 [Interests and views of stakeholders]⁴³. The table below shows the percentage of employees covered by collective bargaining

⁴² The turnover rate is related to the specific nature of the Inter Cars Group's business, i.e. the turnover among the warehouse employees.

⁴³ The employee representatives have not concluded an agreement with the European Works Council (EWC), the Societas Europaea (SE) Works Council or the Societas Cooperativa Europaea (SCE) Works Council.

(in thousand PLN)

agreements in the six countries where such agreements exist. 34% of employees of the Group are covered by collective bargaining agreements.

Percentage of employees covered by collective bargaining and social dialogue [%]

Percentage of employees covered by collective agreements [%]	Employees - EEA	Employees – non-EEA	Workplace representation (EEA only)
0-19%	-	-	-
20-39%	-	-	Poland
40-59%	-	-	-
60-79%	-	-	-
80-100%	Croatia, Romania, Slovenia, Italy	Bosnia and Herzegovina, Ukraine	-

DIVERSITY METRICS [S1-9]

Policies supporting diversity and equal treatment cover all stages of a company's career - from the recruitment process, through the duration of the employment (terms and conditions of employment, access to training and development activities, promotion opportunities), to termination. These principles are not written down as a policy.

In 2024, 100% of the Management Board and the Supervisory Board members were men. In 2024, women accounted for 9.7% of the top management (Director posts M4-E1+).

Workforce diversity by age, gender and grade in 2024

Inter Cars Group		
	Women	Men
Management Board		
under 30 years old	0	0
30-50 years old	0	2
over 50 years old	0	3
Directors (M4-E1+)⁴⁴		
under 30 years old	0	0
30-50 years old	4	43
over 50 years old	2	13
Managerial positions (M1-M3)		
under 30 years old	8	9
30-50 years old	91	299
over 50 years old	16	60
Specialized positions (P1-P5)		
under 30 years old	279	501
30-50 years old	732	1,365
over 50 years old	87	226

⁴⁴ Top management

(in thousand PLN)

Workforce diversity by age, gender and grade (cont.)

Warehouse workers (OM1-OM4)		
	Women	Men
under 30 years old	89	396
30-50 years old	201	654
over 50 years old	53	128

ADEQUATE WAGES [S1-10]

Wage policy is based on market standard analyses and salary surveys sourced from an international external company. The wage level is defined with reference to the local market. Depending on the position and its classification, a salary range (so-called spread) is defined. After a review of salaries and a comparison with market reports, a proposal is presented to the Management Board for approval of the increase budget for the year. The remuneration system for both employees and members of the Management Board is based on fixed and variable components, relating to performance at Group-wide level and the implementation of the Group's Business Strategy. The grading of positions is handled by a valuation committee composed of senior executives. The committee meets on a quarterly basis and, following a recommendation presented by the Human Capital Management Department and the International Team, considers the proposals for valuing positions in the Inter Cars Group in an objective manner. Bonuses are paid quarterly or annually depending on the position held. All subsidiaries have the same recommended bonus levels. No external consultants are involved in the job valuation, salary determination and increase budget setting process. All Inter Car Group employees are paid at least the national minimum wage⁴⁵.

REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION) [S1-16]

In the Inter Cars Group, in 2024, the unadjusted gender pay gap in the Inter Cars Group was 15%, calculated as the ratio of the average full salary of women to men.

The Group also calculated the adjusted pay gap by comparing the ratio of basic pay and full pay of women to men by employment category.

Adjusted pay gap in the Inter Cars Group in 2024

Employment category	Ratio of basic salary of women to men			Ratio of total remuneration of women to men		
	2022	2023	2024	2022	2023	2024
Management Board	N/A ⁴⁶			N/A ⁴⁷		
Managerial positions	0.89	1.00	1.03	0.89	0.99	1.03
Specialized positions	0.87	0.99	0.97	0.84	0.97	0.94
Warehouse workers	0.91	1.04	0.94	0.90	1.02	0.93

⁴⁵For non-EEA countries: Ukraine, Moldova, Bosnia and Herzegovina, Serbia, Albania the minimum wage set through national documents was used.

⁴⁶No women in a given employment category in 2024.

⁴⁷ The disclosure is not applicable due to the lack of comparable data, which is a result of the diversity of the forms of employment and duties of the Management Boards of the Inter Cars Group companies and their international nature. The disclosure would not reflect a meaningful pay gap. The disclosure would not reflect a reliable pay gap.

(in thousand PLN)

The ratio of women's pay to men's pay (the so-called gender pay gap) was calculated by:

- basic salary - the fixed amount paid to an employee for the performance of their duties,
- full remuneration - includes the basic remuneration plus any additional amounts paid to the employee (bonuses, benefits, overtime pay, other wage supplements paid).

For the purpose of calculation of the adjusted pay gap, employees were divided by business area of classification: management, inventory management, product management, sales, logistics, marketing, IT, HR, finance, claims, subsidiaries, administration, other areas. Within each area, the level of position held was taken into account: managerial, specialist, warehouse operations. The data collected was converted into full-time equivalents (FTE) and calculated on an annual basis. For each area, the pay gap was calculated using a weighted average excluding zero positions, where the weight is the number of employees at a given level divided by the total number of employees in the area.

The calculation takes into account employees who are in an employment relationship with the organisation (e.g. contracted in Poland) as at 31.12.2024.

The methodology for calculating the adjusted pay gap has not changed relative to the data disclosed in the *Inter Cars Group Sustainability Report for 2023*; however, the Group does not provide year-on-year comparative data in the first *Sustainability Statement* under the new ESRS standards.

Annual total remuneration ratio

In 2024, in the Inter Car Group, the total annual remuneration ratio for the highest-paid individual⁴⁸ to the median remuneration of all employees in the organisation (excluding said highest-paid individual) was 45.54.

PERSONS WITH DISABILITIES [S1-12]

The disclosure on the employment of persons with disabilities includes employees who have presented a disability certificate to the employer.

Percentage of employees with disabilities in 2024

Inter Cars Group	2024
Women	0.96%
Men	0.97%
Total	0.97%

METRICS FOR TRAINING AND SKILLS DEVELOPMENT [S1-13]

All Inter Cars Group employees are covered by an employee appraisal programme. The employee appraisal consists of an evaluation interview and assessment according to the employee's grade and the familiar criteria assigned to the grade. In 2024, employees hired in the last quarter of the year and those who did not take part in the appraisal process due to fortuitous events or holiday leave (long-term absences) were not included in the process.

Due to the ongoing military conflict in Ukraine, the annual appraisal process was not carried out this year in that country.

⁴⁸ At Inter Cars S.A., the highest-paid individual is the CEO. The total annual remuneration is inclusive of the salary, bonuses, shares granted, share options, non-equity bonus plan, changes in the value of pensionable emoluments, as well as non-qualifying deferred elements of remuneration transferred during the year. The remuneration of the highest-paid individual also takes into account remuneration arising from appointment and function.

(in thousand PLN)

Percentage of employees that participated in regular performance and career development reviews in 2024

Inter Cars Group		
	Women	Men
Directors (M4-E1+)	83.33%	60.71%
Managerial positions (M1-M3)	79.13%	76.36%
Specialized positions (P1-P5)	63.93%	55.11%
Warehouse workers (OM1-OM4)	54.81%	56.88%
Total	52.36%	48.59%

Average number of training hours per year per employee

The Inter Cars Group offers employees a training programme aimed at developing the qualities and qualifications considered to be the most essential elements of the competence model. The number of training hours consists of internal training and external training in which employees actively participated. In 2024, an Inter Cars Group employee spent an average of 4.60 hours on training to improve competencies in the area of soft and technical skills.

Average number of training hours per employee in 2024 by gender

Inter Cars Group		
	Women	Men
Directors (M4-E1+)	1.00	6.68
Managerial positions (M1-M3)	10.05	7.87
Specialized positions (P1-P5)	6.06	6.09
Warehouse workers (OM1-OM4)	0.44	0.13
Total	4.83	4.36

HEALTH AND SAFETY METRICS [S1-14]

The occupational health and safety management system includes the identification of risks in all areas of the business and the management of the associated risks. Each subsidiary has developed and implemented occupational health and safety policies in line with the national legislation, such as internal procedures, job instructions and risk assessments for individual workstations. There are no changes in this area in 2024.

100% of the Inter Cars Group's contracted employees were included in the 2024 Occupational Health and Safety (OH&S) management system. No employee group was excluded from the disclosure. No employee group was excluded from the disclosure.

In 2024, 1 serious work-related accident and 241 work-related injuries were reported in the Inter Cars Group. An accident analysis is carried out for each accident, followed by implementation of corrective measures. The number of employees shown in the S1-6 disclosure and the number of non-employees shown in the S1-7 disclosure were used to calculate the disclosure.

(in thousand PLN)

Disclosures related to the incidence of own workforce in 2024

Inter Cars Group	2024
Employees (employment contract)	
Number of fatalities as a result of work-related injuries	0
Fatality rate as a result of work-related injuries	0
Number of serious work-related injuries (excluding fatalities)	1
Serious work-related injury rate (excluding fatalities) ⁴⁹	0.11
Number of work-related injuries	57
Work-related injury rate ⁵⁰	6.16
Main types of accidents at work	Minor cuts, bruises related to goods falling on limbs, back pain due to improper lifting of goods
Number of cases of reportable work-related ill health	0
Number of hours worked	9,253,678
Number of days lost to work-related injuries	960
Non-employees	
Number of fatalities as a result of work-related injuries	0
Fatality rate as a result of work-related injuries	0
Number of serious work-related injuries (excluding fatalities)	0
Serious work-related injury rate (excluding fatalities) ⁵¹	0
Number of work-related injuries	184
Work-related injury rate	18.26
Main types of accidents at work	Minor cuts, bruises related to goods falling on limbs, back pain due to improper lifting of goods
Number of hours worked ⁵²	10,076,400

WORK LIFE BALANCE DISCLOSURES [S1-15]

At Inter Cars Group, all employees are fully entitled to take various forms of parental leave. In 2024, 563 Group employees took parental leave, representing 11% of all employees.

Family-related leave

Inter Cars Group	Women	Men
Percentage of employees entitled to take family-related leave	100%	100%
Number of entitled employees that took family-related leave	314	249
Percentage of entitled employees that took family-related leave	20%	7%

⁴⁹ Disclosure calculated based on 1,000,000 hours worked.

⁵⁰ Disclosure calculated based on 1,000,000 hours worked.

⁵¹ Disclosure calculated based on 1,000,000 hours worked.

⁵²In the case of non-employees, the number of hours is an estimate only as due to the nature of employment in this area, these hours are not monitored.

(in thousand PLN)

SOCIAL PROTECTION [S1-11]

In the Inter Cars Group, all employees are provided with social protection against income loss resulting from serious life events, including illness, unemployment (if it occurs while the employee is actively working in a given unit), work-related accidents, acquired disabilities, parental leave, and retirement. This social protection coverage also extends to employees in countries outside the EEA, in which the Group conducts its⁵³ operations.

INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS [S1-17]

No cases of discrimination, including harassment, or serious incidents of human rights violations were registered in the Inter Cars Group in 2024⁵⁴. Consequently, no fines, penalties or damages were imposed on the Group as a result of employee complaints. The Group applies an *Anti-Abuse Policy* and an *Internal Reporting Procedure*, described in detail Chapter 4.1 *Business conduct [ESRS G1]*, in the G1-1 disclosure.

Number of incidents, complaints and fines imposed in 2024

Inter Cars Group	
Total number of incidents of discrimination	0
Number of complaints filed through channels for people in the undertaking's own workforce	0
Total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints	0

3.2. WORKERS IN THE VALUE CHAIN [ESRS S2]

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL [SBM-3]

In 2024, the Inter Cars Group launched a workers-in-the-value chain-impact analysis. In the course of the analysis, key groups of business partners were identified, whose cooperation with the Inter Cars Group might potentially impact the workers in the value chain. The groups include:

- suppliers of goods,
- shipping companies,
- jointly controlled companies: DANXILS Sp. z o.o., InterMeko Europe Sp. z o.o.,
- affiliated company: Partslife International Kft,
- branches.

Depending on the location and the relationship with the business partner, the impact of the Inter Cars Group on workers in the value chain can be both potentially positive and negative. Nevertheless, the Group will always impact this group due to its activities. The positive impact occurs in the downstream value chain, particularly in the subsidiaries, through the creation of jobs and the impact on the working conditions. The Group is guided by its values and its stated mission, as well as the UN Guiding Principles on Business and Human Rights, to limit its negative impact on human rights in the upstream value chain. A description of the identified impacts, risks and opportunities can be found in Chapter 1.5. *Management of material impacts, risks and opportunities*.

In 2024, the Group was not aware of any group of workers in the value chain that may have been exposed to a greater risk or harm.

⁵³ Albania, Bosnia and Herzegovina, Moldova, Serbia, Ukraine.

⁵⁴ For the purposes of calculating the disclosure, the analysis covered all types of abuse listed in ESRS S1-17 Incidents, complaints and serious human rights impacts.

(in thousand PLN)

POLICIES RELATED TO WORKERS IN THE VALUE CHAIN [S2-1]

The basic document governing the Inter Cars Group's requirements for all representatives in the value chain is the *Code of Conduct and Good Market Practice of the Inter Cars S.A. Capital Group*. The Code is available to all Group employees on the intranet and is communicated to suppliers with whom the Group has signed a contract. According to the Code:

- It is prohibited to engage with partners who conduct their business unethically or violate the rights of other people, as well as the accepted moral standards or fair market practices;
- business partners are evaluated based on their merits, as well as business and ethical criteria; in line with the principle of equal treatment, no discriminatory criteria or conditions of cooperation are applied;
- business partners are expected to comply with the law and good market practices; the Group favours partners who set themselves ambitious goals regarding shared responsibility for the common environment.

The Code and the monitoring process are described in Chapter 4.1 *Business Conduct* [ESRS G1], in the G1-1 disclosure.

The *Inter Cars Group's Due Diligence Policy for Responsible Business Conduct* adopted in 2024 governs the way in which the Group identifies and addressed the monitoring and management of impacts, opportunities and risks in the value chain, also with regard to the workers in the value chain. The Policy is described in detail in Chapter 4.1. *Business Conduct* [ESRS G1], in the G1-1 disclosure.

In 2024, the Group did not have a code of conduct for suppliers in place, with the mutual relations being regulated by the *Code of Conduct and Good Market Practice of the Inter Cars S.A. Capital Group*.

The above documents address the Inter Cars Group's impact on the workers in the value chain and ensure that their rights are respected. In 2024, the Inter Cars Group received no report on violation of the rights of the workers in the value chain.

INTERESTS AND VIEWS OF STAKEHOLDERS [SBM-2]

The interests and views of the workers in the value chain do not impact the business model or strategy, nor is the strategy or the model aligned to impact them. The forms of dialogue and collaboration with the representatives of workers in the value chain are disclosed under the S2-2 disclosure - Processes for engaging with value chain workers about impacts.

PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS [S2-2]

In 2024, the Inter Cars Group began to engage with the value chain workers representing Polish subsidiaries and jointly controlled companies by giving them the opportunity to participate in a satisfaction survey carried out by the Human Capital Director. He is also responsible for analysing the results of the survey and presenting them to the Management Board of Inter Cars. The results also provided input into the Inter Cars Group's 2024 dual materiality survey process and will be taken into account in the strategy and business model.

In 2024, the Group conducted another satisfaction survey, the results of which will be discussed in 2025.

The Inter Cars Group did not engage with the representatives of the other groups of the value chain workers.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS [S2-3]

The channels for value chain practitioners to raise concerns and remediation processes are described in Chapter 4.1 *Business Conduct* [ESRS G1], in the G1-1 disclosure.

TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTIONS [S2-4]

In 2024, in the absence of an adopted framework and targets, the Inter Cars Group did not take structured measures to prevent, mitigate or remedy material adverse effects on the value chain workers. However, in line with the adopted *Inter Cars Group's Due Diligence Policy for Responsible Business Conduct*, a review of risks in the area of ethics and human rights

(in thousand PLN)

was initiated taking into account own operations and relevant business relationships, including the value chain. The Group began work in selected business areas to design processes and set targets and metrics in this regard.

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES [S2-5]

In 2024, the Group did not have adopted targets with regard to the value chain workers as this area had not been identified in the *Business Strategy* or the *Sustainability Strategy*.

(in thousand PLN)

4. BUSINESS CONDUCT [G1] AND OWN DISCLOSURES [C1 AND CS]

4.1. BUSINESS CONDUCT [ESRS G1]

BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE [G1-1]

The Inter Cars Group operates in accordance with ethical principles and respects human rights in all areas of its activities, as indicated by compliance with the Minimum Safeguards within the meaning of the EU Taxonomy.

The Inter Cars Group's approach to ethics and human rights due diligence is governed by the policies and codes in force - their strict observance is a condition of working at the Inter Cars Group and is binding on every employee, including in relations with key business partners throughout the value chain. The policies contained in the documents listed below serve to prevent the occurrence of negative effects in the field of human and labour rights related primarily to the direct operations of the Inter Cars Group. The policies have been adopted in the form of a resolution of the Management Board and are available to all employees on the internal intranet. The the General Counsel of Inter Cars S.A. is responsible for implementing of the Inter Cars Group policies. In addition, in the subsidiaries, the responsibility for implementing and supervising compliance with the policies lies with the companies' boards of directors and local legal services. Employees are made aware of the policies and ethics rules through onboarding, training available on the online training platform and internal communication. The policies and the activities of the Legal Department are audited once a year by Internal Audit. In addition, changes in legislation that may require changes to policies and procedures are analysed. Employees can make a report in relation to a breach of individual Policies through the breach reporting system, which is detailed in this disclosure.

The documents governing this issue include:

Code of Conduct and Good Market Practice of the Inter Cars S.A. Capital Group

The Code regulates the general principles that are followed in day-to-day operations, it acts as a code of ethics. Among other things, the document sets out rules and desirable attitudes concerning:

- values,
- safety,
- equal opportunities and equal treatment,
- customer relations,
- business relations,
- contact with media,
- relations with competitors.

The Code is thus a declaration of compliance with the various categories of human rights relating to the Group's activities - in particular employee rights. In addition, it unequivocally expresses a complete rejection of corruption and bribery, and highlights fundamental principles regarding environmental protection, collaboration with public authorities, and the safeguarding of personal data. The Code is available to all employees on the intranet and on the Inter Cars investor relations website. The Code addresses the impacts, risks and opportunities identified with regard to corporate culture, supplier relationship management, including payment practices as well as corruption and bribery, described in Chapter 1.5. *Management of material impacts, risks and opportunities.*

Inter Cars Group's Due Diligence Policy for Responsible Business Conduct

The *Inter Cars Group's Due Diligence Policy for Responsible Business Conduct* (hereinafter referred to as the "Policy") sets out a framework for responsible business conduct based on international standards such as the UN Guiding Principles, the OECD Guidelines, the International Bill of Human Rights and the Declaration of the International Labour Organisation.

This ESG section identifies areas of activity in which the ESG risks may arise, especially those related to issues of human trafficking, forced or compulsory labour, and child labour.

(in thousand PLN)

The main objective of the document is to identify, assess and minimise sustainability risks throughout the Group's value chain, both across the internal processes and in relationships with the business partners. Key elements of the Policy include:

- identification and prioritisation of the ESG risks as defined in the Policy,
- prevention and remediation of the aforementioned ESG risks, especially those related to issues of human trafficking, forced or compulsory labour, and child labour,
- stakeholder engagement and reference to the Group's complaints procedures,
- monitoring the effectiveness of the Policy and reporting rules.

The document was adopted by a resolution of the Management Board of Inter Cars S.A. in Q3 2024. It applies to all Group companies and is available on the intranet.

Anti-abuse Policy of the Inter Cars Capital Group

The document describes, among other things, the methods of preventing abuse, including attempts to give and receive financial benefits, and provides examples of prohibited behaviour. In addition, it sets out procedures for reporting suspected abuse and conducting internal investigations. *The Anti-abuse Policy* also includes rules for offering donations or verifying contractors. The Policy defines the concept of a public official (very broadly - this group includes, among other things, representatives of political parties, employees of public administration and state-owned companies, as well as persons holding judicial positions) and firmly prohibits making, promising, offering or approving any payment to persons who meet these criteria. The Policy makes no reference to the United Nations Convention against Corruption. The Policy is available to all employees; however, it is not available to external parties. The Policy addresses the impacts, risks and opportunities identified in the area of whistleblower protection described in Chapter 1.5. *Management of material impacts, risks and opportunities*.

Internal Reporting Procedure of the Inter Cars Capital Group

The procedure defines abuse and indicates the channels for reporting abuse in the Inter Cars Group. It also defines the principles of whistleblower protection. The document implements the provisions of the Whistleblower Protection Act and the *Anti-abuse Policy of the Inter Cars Capital Group*. The procedure is made available to all employees and published on the Inter Cars investor relations website. The procedure covers the following companies: Inter Cars S.A., Q-service Sp. z o.o., Lauber Sp. z o.o., Feber Sp. z o.o., IC Development & Finance Sp. z o.o., Armatus sp. z o.o., Inter Cars Marketing Services Sp. z o.o., ILS Sp. z o.o., Q-service Truck Sp. z o.o., Inter Cars Fleet Services Sp. z o.o. The procedure addresses the influences, risks and opportunities identified in the area of whistleblower protection described in Chapter 1.5. *Management of material impacts, risks and opportunities*.

Information Confidentiality Policy in Inter Cars Capital Group

The document defines the basic principles for the processing and storage of confidential information and indicates the methods of dealing with confidentiality breaches in the Inter Cars Group. The Policy addresses the impact and risks identified in area of cyber security and data security. The Policy is not available to external parties. The Policy addresses the impacts, risks and opportunities identified in the area of corporate culture and data security.

Workplace Mobbing Prevention Policy in Inter Cars Capital Group

The Policy defines harassment and outlines the principles for reporting suspected harassment and conducting an internal investigation in the event a report to this effect is filed. The Policy is not available to external parties. The Policy addresses the impacts, risks and opportunities identified in the corporate culture area.

Each new employee of the following companies: Inter Cars S.A., ILS Sp. z o. o., Inter Cars Marketing Services Sp. z o.o., Armatus sp. z o.o., Q-service Sp. z o.o., and Q-service Truck Sp. z o.o. undergoes a training in the Group's Compliance Programme during the onboarding process. In addition, the policies implemented as part of the Compliance Programme, which include anti-corruption issues, are made available to all employees on the organisation's intranet. The Group's has identified functions most exposed to the risk of corruption and bribery. In addition, 100% of the employees holding the identified functions have been provided with additional information in this regard. These include management board

(in thousand PLN)

members, individuals managing various product segments, persons responsible for the broadly understood area of cost procurement (including services) - i.e. commercial procurement, as well as management board advisors.

In 2024, the Group did not have policies in place to provide in-house training on business conduct.

Abuse reporting system

A specific whistleblowing system, described in the *Internal Reporting Procedure*, which is available on the Investor Relations website, has been implemented to ensure correct understanding of and compliance with the adopted policies. The *Internal Reporting Procedure* implements the requirements provided for in the Law on the Protection of Whistleblowers, which transposes the *European Parliament and Council Directive (EU) 2019/1937* into the national law.

The system is part of the human rights due diligence process at the Inter Cars Group, through which stakeholders affected by negative impacts can file complaints and seek resolution and raise concerns and queries. A broad definition of abuse has been adopted, defined as a deliberate act or omission in violation of the law or the Group's policies that results in benefits to the perpetrator, or damages to the Inter Cars Group entities. The system can be used online to report cases of financial non-compliance (such as corruption, fraud, financial crimes, among others) and non-financial non-compliance (such as harassment, discrimination or violations related to environmental issues, among others). An analysis of the information from the grievance mechanism makes it possible to identify adverse human and labour rights impacts that the Group's activities cause or may cause. The system has two language versions - Polish and English. The Employee Engagement and Satisfaction Survey includes questions testing knowledge of the reporting system and potential use of the system when abuse is identified. External stakeholders were not consulted.

The abuse reporting system can be used by both Inter Cars Group employees and contractors, customers or other persons who may have knowledge of potential abuse. Reports may be filed anonymously or with full attribution. Regardless of whether the whistleblower has chosen to provide their details or not, a secure mailbox should be set up to enable secure communication with the organisational unit responsible for dealing with reports. The organisation ensures the confidentiality of all reports.

Bona fide whistleblowers are protected from retaliatory actions or other types of unfair treatment. The Group ensures that whistleblowers do not fall victim to retaliation (e.g., being held accountable for orderly, disciplinary, financial liability for reporting) or otherwise harassed by superiors or by colleagues. The Group counters retaliation in accordance with the Whistleblowers Act.

The same rights also apply to whistleblowers who choose to report abuse through other channels, such as by email: compliance@intercars.eu, by telephone, in person or by traditional mail.

All reports are reviewed on an ongoing basis. Any irregularities are subject to specific corrective measures. The person authorised to receive notifications, institute and carry out investigation process is the General Counsel of Inter Cars S.A. The effectiveness of activities in the Compliance area, including the anti-abuse area, is monitored - annual reports are prepared in this respect, which are verified by internal audit and presented to the Supervisory Board.

Serious objections and concerns can also be reported to the Management Board or Supervisory Board by email. In 2024, no suspected violations were reported via this channel.

Due to differences in the method of implementation of *Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of whistleblowers in EU member states*, the Group has initiated actions aimed at adopting the local whistleblower procedures accordingly.

Infringements Identified

In 2024, no court decisions were issued identifying violations by Inter Cars Group, its top management or Group companies of: human rights, labour rights, fair competition law, tax law or finding of corruption. The OECD National Contact Points have

(in thousand PLN)

not received any reports involving the Group or its companies. The Business and Human Rights Resource Centre has not addressed any allegations against Inter Cars S.A. or its subsidiaries in the last 2 years.

As part of the assessment of compliance against the Minimum Safeguards, it was verified whether any judicially determined violations occurred during the reporting period that would indicate non-compliance with the Minimum Safeguards, in accordance with the recommendations of the Platform on Sustainable Finance. The definition of Minimum Safeguards and the remaining part of the taxonomy disclosure can be found in Chapter 2.1 *Taxonomy disclosures*.

In 2024, no material ⁵⁵non-compliance with laws and regulations in the Inter Cars Group subject to non-monetary sanctions was identified. In addition, no financial penalties for material non-compliance with laws and regulations occurred in the current or previous reporting period.

Violations indicating non-compliance with the Minimum Safeguards in 2024

Violations indicating non-compliance with the Minimum Safeguards	
Cases of human rights violations	0
Number of legal actions taken against organisations for violations of free competition rules and monopolistic practices	0
Violations of tax regulations	0
Cases of confirmed corrupt violations	0
Corrupt practices court cases brought against the organisation or its employees	0
Allegations from the Business and Human Rights Resource Centre (last 2 years)	0
Cases accepted against Inter Cars by OECD National Contact Points	0
Total	0

MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS [G1-2]

The Inter Cars Group cooperates with over 1,600 product suppliers all over the world, who:

- Meet the requirements of the **Goods Purchase Policy of the Inter Cars Group**, which defines the principles of purchasing, management, standardisation and coordination of the procurement processes. In addition, it facilitates commercial negotiations and supplier management at the Group level.
- Meet the formal conditions developed by the Inter Cars Group's Legal Department.
- Operate in accordance with the **Code of Conduct and Good Market Practice of the Inter Cars S.A. Capital Group**, according to which:
 - It is prohibited to engage with partners who conduct their business unethically or violate the rights of other people, as well as the accepted moral standards or fair market practices;
 - business partners are evaluated based on their merits, as well as business and ethical criteria; in line with the principle of equal treatment, no discriminatory criteria or conditions of cooperation are applied;
 - business partners are expected to comply with the law and good market practices; the Group favours partners who set themselves ambitious goals regarding shared responsibility for the common environment.

New suppliers are required to complete a **Business Partner Assessment Questionnaire**, which addresses issues related to ethics and corporate social responsibility. It included the following questions:

- Have the persons in positions of authority ever been public officials?
- Are the persons in management positions in any way connected with the Inter Cars Group?

⁵⁵ Significant (material) instances of non-compliance - non-compliance that adversely affects stakeholders to a significant degree.

(in thousand PLN)

- Does the organization apply a code of ethics?
- Has the supplier implemented a quality management system?
- How are corruption, conflicts of interest, money laundering, environmental protection and labour rights are prevented?
- What initiatives are being carried out as part of the supplier's social responsibility programme?

Each new supplier is required to complete and sign a self-assessment questionnaire.

In connection with the *Inter Cars Group's Due Diligence Policy for Responsible Business Conduct* adopted in 2024, a process of assessing risks and opportunities in the supply chain area has been initiated and will continue in the years to come.

In 2024, social and environmental aspects were not taken into account when selecting suppliers. The supplier evaluation process is to include these criteria in the years to come.

In 2024, the Inter Cars Group did not have a policy aimed at preventing late payments, particularly to SMEs.

PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY [G1-3]

In accordance with the *Code of Conduct and Good Market Practice of the Inter Cars S.A. Capital Group*, the Inter Cars Group does not condone corruption or bribery as a business method and measures are taken to prevent these. Detailed provisions on corruption, bribery, all corporate and business malpractices are included in the *Anti-abuse Policy of the Inter Cars Capital Group*. The Policy contains a set of definitions and detailed incidents of abuse, this document covers Inter Cars S.A. and its individual subsidiaries. The Policy and the abuse reporting system are presented in the G1-1 disclosure.

The *Code of Conduct and Good Market Practice of the Inter Cars S.A. Capital Group* is made available to the suppliers and contractors. Ongoing corruption risk assessments are also carried out for the Company's suppliers and contractors.

Conflict of Interest Policy in Inter Cars Capital Group

The document defines what a conflict of interest is and indicates the obligations of employees when such a conflict is identified. Among other things, the employees of the Group's companies are obliged to avoid situations in which their interests, or those of a person related to them, may conflict with the interests of the company. In such cases, they are obliged not only to inform their superiors of the conflict of interest, but also to refrain from making any decisions on the matter. If necessary, the decision to remove a person from a case where a conflict of interest is suspected may be made by their superior.

With regard to the management of conflicts of interest, the Management Board and the Supervisory Board have decided to apply the principles of Chapter 5 *Conflict of interest and related party transactions* of the *Good Practices of Companies Listed on the WSE 2021* to their activities. In accordance with generally applicable laws, specific conflict of interest/related party transaction events are disclosed to stakeholders as part of periodic and current reports.

In accordance with generally applicable law, conflict of interest events (including, but not limited to, membership of boards or supervisory boards of other organisations, ownership of shares in supplier companies and other stakeholders) are disclosed to stakeholders as part of periodic reports and on the Investor Relations website.

Information on training and functions with a higher risk of corruption is presented in disclosure G1-1 *Business Conduct Policies and Corporate Culture*.

(in thousand PLN)

INCIDENTS OF CORRUPTION OR BRIBERY [G1-4]

Summary of the number of incidents of corruption or bribery in the Inter Cars Group and its business areas in 2024

Summary of the number of incidents of corruption or bribery in the Inter Cars Group and business areas in 2024	
Number of convictions and the amount of fines for violation of anti-corruption and anti- bribery laws	0
Number and nature of confirmed incidents of corruption or bribery	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	0
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	0
Total	0

The data on incidents of corruption and bribery and other abuse reported to the Legal Department, including the data on the functioning of the anti-abuse area, are periodically reviewed by Internal Audit, as part of the compliance area audit process. The results of the G1-4 metrics were not validated by an external body.

POLITICAL INFLUENCE AND LOBBYING ACTIVITIES [G1-5]

Inter Cars S.A. is a member of the Association of Automotive Parts Distributors and Producers (SDCM). Krzysztof Soszyński, Vice-President of the Management Board of Inter Cars S.A. is a member of the SDCM board. The association itself is a member of CLEPA (European Association of Automotive Suppliers) and FIGIEFA (International Federation of Automotive Aftermarket Distributors). One of the associations' objectives is to support the legislative process at national and international level affecting the automotive industry.

Inter Cars S.A. is also one of the founders of the Forum on Automotive Aftermarket Sustainability (FAAS), a European non-profit association set up by the CLEPA and FIGIEFA organisations to monitor progress on sustainability and promote green practices and solutions in the automotive aftermarket.

As a member of the automotive industry associations, the Inter Cars Group supports the changes necessary for the development of fair competition, the expansion of international trade or global technical harmonisation. Appropriately adapted legislation will allow the automotive industry to make the most of its potential and respond to the expectations set by the legislator in the context of the ongoing changes in terms of the digital and energy transformation. Membership of industry associations is a way of addressing the identified impacts regarding political engagement.

The Inter Cars Group is also a member of The Polish Association of Listed Companies, an organisation which cares for the development of the Polish capital market and represents the interests of companies listed on the Warsaw Stock Exchange.

The company is not registered in any transparency register.

The membership fee paid by the Inter Cars Group in 2024 was PLN 388,000.

The results of the G1-5 metrics were not validated by an external body.

PAYMENT PRACTICES [G1-6]

While the Group does not have a formal late payment prevention policy in place, it applies payment and cost document workflow instructions, and follows clearly designated payment approval procedures.

(in thousand PLN)

The average payment deadline in the Group is 30 days⁵⁶, the average delay in settling accounts payable to suppliers is 1 day. No exclusions were applied to the calculations; payments to all suppliers, goods as well as services were taken into account.

In the area of regulating liabilities, the Inter Cars Group adheres to the contractual provisions found in individual agreements with suppliers. In 2024, the average payment term to key suppliers of products, whose cooperation is governed by agreements concluded on behalf of the Group by Inter Cars S.A. was 52 days⁵⁷.

There are no legal proceedings pending against Inter Cars S.A. with regard to its obligations under the Act on Prevention of Excessive Delays in Commercial Transactions.

The results of the G1-6 metrics were not validated by an external body.

4.2. CUSTOMERS [OWN C1 DISCLOSURE]

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL [SBM-3] AND INTERESTS AND VIEWS OF STAKEHOLDERS [SBM-2]

The Inter Cars Group, on the basis of a double materiality study, analysed the impacts, risks and opportunities related to customer relationships. Significant and positive impacts of the Group on customers were identified. A description of the impact is presented in Chapter 1.5 *Management of material impacts, risks and opportunities*, under the SBM-3 disclosure.

In the Inter Cars Group business model, garages are identified as one of the key stakeholder groups with whom regular dialogues and meetings are held. The ways in which contact is conducted are indicated in Chapter 1.5 *Management of material impacts, risks and opportunities*, under the SBM-2 disclosure.

The Inter Cars Group also serves other business customers, including fleet customers, wholesalers and shops, as well as individual customers.

The disclosed metrics are derived from internal systems and statements of the Inter Cars Group. The results of the metrics disclosed in this chapter have not been validated by an external body.

Customer-related policies

The Inter Cars Group has documents defining the principles of cooperation with customers:

- *Code of Conduct and Good Market Practice of the Inter Cars S.A. Capital Group* - The Code regulates the general principles that are followed in day-to-day operations; it acts as a code of ethics. Among other things, the document defines the rules and desired attitudes concerning relations with customers. It is described in detail in Chapter 4.1 *Business conduct* [ESRS G1];
- *Information Confidentiality Policy in Inter Cars Capital Group* - described in detail in Chapter 4.1 *Business conduct* [ESRS G1];
- *Conflict of Interest Policy of the Inter Cars Capital Group* - described in detail in Chapter 4.1 *Business conduct* [ESRS G1];
- *Inter Cars Group's Due Diligence Policy for Responsible Business Conduct* - described in detail Chapter 4.1 *Business conduct* [ESRS G1]

⁵⁶ Metrics regarding all contracts. In 2024, the Group did not separately identify suppliers from the category of small and medium-sized enterprises (SMEs) in its records.

⁵⁷ The Group did not separately identify the percentage of payments to merchandise suppliers that complied with standard payment terms.

(in thousand PLN)

Cooperation processes with regard to customer impact

The Inter Cars Group applies procedures with regard to complaints and irregularities, described in detail in Chapter 4.1 *Business conduct [ESRS G1]* In addition, the Group uses an internal complaints procedure and an expert hotline for mechanics.

As part of the after-sales service, the customers can return a product or lodge a complaint. The Inter Cars Group has internal complaint procedures. For their submission and processing, the *IC Complaints* application is used, which enables a quick overview of the status and history of a given complaint, an overview of attachments added by customers, required data. Approximately 82% of claims are handled by the Inter Cars Complaints Department in Zakroczym, while claims related to selected product groups are handled by the Intermeko Europe laboratory.

Key figures for 2024:

- 139,000 claims accepted and processed by the Claims Department, 66% of which were acknowledged,
- approx. 90% of claims reported and forwarded to head office were resolved or referred for further investigation within 3-4 days of being reported on the system.

Measures taken to support customers

The Inter Cars Group identifies customers as important stakeholders whose opinion and needs are key to developing its operations. As part of the dual materiality analysis process, meetings were held with customer representatives in 2024. Their opinion influenced the final identified impacts, risks and opportunities. In addition to the aforementioned dialogue, the Inter Cars Group holds numerous customer meetings, opinion surveys and meetings as part of conferences.

The Inter Cars Group focuses its activities on increasing its positive impact on customers through dedicated programmes and initiatives. These activities include support for digitalisation and automation, enhancing competences and creating dedicated customer solutions. Implementation of these activities contributes to the achievement of objectives related to identified impacts, risks and opportunities in the topic of business customers:

One Stop Shop

The Inter Cars Group offers garages a *one stop shop*, or an *all under one roof* cooperation model. It offers garages a quick and convenient access to 5.97 million car parts, expert knowledge and training. Garage owners can also benefit from tailored software to help them run their business. The main forms of support offered to garages include:

Digitisation of business processes

Digitisation of business processes - this is one of the solutions that can have a positive impact on garage owners, mechanics and also their customers. Examples:

- **Inter Cars e-Catalogue** - the main sales platform of the Inter Cars Group. It helps professional users to search for vehicles, select and order the required products. The platform is integrated with various data providers, such as VIN-based vehicle information and useful technical repair-related data, which expands the range of services users can access. The users get to browse the entire Inter Cars Group portfolio.
IN 2024, the Inter Cars e-Catalogue was available in 21 markets across Europe, with more than 220,000 users per month.
- **eSOWA** - a programme for comprehensive operation of a garage or automotive shop.

Training

Inter Cars S.A. offers training to the independent garages with which it cooperates, with a view to supporting their owners in the running of their business and raising the competence of their mechanics.

The training courses are conducted by experienced experts who present participants with practical solutions and ways to improve a garage's operation or expand the range of its services. Training is provided in 3 areas:

1. **Technical training courses** provide an opportunity for mechanics to add new skills and develop their expertise in vehicle diagnosis and repair.

(in thousand PLN)

2. **Product training courses** provide the opportunity to learn about the latest solutions from manufacturers cooperating with the Inter Cars Group.
3. **Business training** is a comprehensive offer aimed at helping every garage owner to run their business more easily and efficiently.

Technical training for garages in Poland in 2024

Technical training for garages in Poland	
Online-training	
Number of trainings courses	40
Number of participants	2,257
On-site training	
Number of trainings courses	603
Number of participants	9,024

Garage chains

Inter Cars cooperates with independent garages by developing an offer of products and services tailored to the needs of owners and mechanics. The Group also brings together car service centres under the Q-Service brand. As part of this chain, professional garages receive comprehensive support in development, technical and business training and marketing. A common standard, economies of scale and a recognisable brand facilitate customer acquisition. In addition, the garages associated in the chain guarantee a responsible, owner-oriented approach - the company name and the owner's name come first.

Q Service Castrol - a network intended for the passenger garage market. The brand was created by combining the knowledge and experience of Inter Cars and Castrol. In 2024, Q Service Castrol included 630 garages across Poland.

Q-Service Truck is an international garage chain intended for servicing and repairing commercial vehicles - trucks, trailers, semi-trailers, buses, agricultural and construction machinery. The chain associated garages in Poland, Romania, Hungary, the Czech Republic, Lithuania, Latvia, Slovakia, Ukraine, Bulgaria, Moldova, Bosnia and Herzegovina, Croatia, Estonia, Greece and Slovenia. At the end of 2024, the chain comprised 341 garages, including: 114 garages in Poland and 227 garages in the other countries.

Product quality controls

The quality of Inter Cars' product is verified by Intermeko Europe, which specialises in geometric measurements, strength tests, material tests and functional tests. Functional tests include, for example: tests of the damping forces of shock absorbers, the spring forces of suspension springs or leakage checks.

Quality checks are carried out in accordance with *BIKT⁵⁸ .R.011.P.01 B - a process for quality control of goods entering the distribution chain* based on the guidelines of the ISO 9001:2015 standard. As part of this process, individual products, including so-called private label products, are selected for spot checks on the basis of quality analysis in order to minimise risks to component quality. In addition, new products undergo thorough quality verification related to tests of geometrical, functional and material parameters before being released for sale. The laboratory also carries out expert assessments of complaints reported by individual customers.

⁵⁸ Abbreviation for Testing and Technical Inspection.

(in thousand PLN)

Number of products tested using quality control tests in 2024

Checks on geometric and identification parameters	41,176
Functional checks	3,852
Total	45,028

In 2024, 45,028 items were checked. To this end, a total of 41,176 geometric parameter checks and identification checks were carried out. In 2024, 946 functional quality checks were carried out against entities precisely qualified to sell parts within the Group. Functional inspections were carried out for a total of 3,852 facilities. The quality control process aims to ensure the continued delivery of top-quality products and their verification in line with user guidelines and expectations.

Objectives for managing significant negative impacts, enhancing positive impacts and managing material risks and opportunities

As part of its Sustainable Development Strategy, under the pillars of *Sustainable Car Parts and Garages of Tomorrow*, the Group has established goals related to supporting the sustainable development of independent car repair garages. The strategy is presented in detail in Chapter 1.3. *Strategy*.

Sustainability objectives for cooperation with the Inter Cars Group customers

Commitment resulting from the Strategy	Targets/commitments	Target achievement level
3A: We will train and support the development of garages of the future, with a particular focus on green energy, circularity and expertise in the era of electromobility and new technologies.	<ul style="list-style-type: none"> - By the end of 2025 in Poland and by the end of 2026 throughout the Inter Cars Group, we will develop and support the implementation of the “Garages of tomorrow” programme. - By the end of 2025, we will expand the existing training programme for garage employees on new automotive skills. - By the end of 2025, we will expand the scope of the existing training system for garages to include ESG elements. 	- In 2024, work initiating projects to support car workshops began.

4.3. CYBER SECURITY AND DATA SECURITY [OWN CS DISCLOSURE]

The objective of Inter Cars S.A., as an entity supporting the key ICT processes and systems within the Group, is to ensure a high level of information security and continuity of IT systems, in accordance with best practices and applicable regulations. Threats relevant to the Company's operations are identified in this area, which is why a number of preventive measures are implemented to strengthen the resilience of IT systems and ensure the protection of personal data and to mitigate risks in this area.

These activities range from continuous monitoring of threats, implementation of protection mechanisms and raising employee awareness of cyber security and data protection.

Policies related to cyber-security and data protection

The Inter Cars Group attaches particular importance to the security of IT systems and the protection of personal data. To this end, the following policies have been developed and implemented:

(in thousand PLN)

Information security principles in the IT systems of the Inter Cars Group S.A.

In order to improve the security standards, the *Information Security Principles for the IT systems of the Inter Cars Group S.A.* have been introduced. A document addressed to all users of IT systems, regardless of the form of cooperation. It defines the key principles of information processing and users' responsibility in terms of cyber security.

Data protection Policy

To ensure the protection of personal data, the Inter Cars Group has appointed a Data Protection Officer (DPO) who oversees the maintenance and updating of documentation related to personal data protection, including the *Personal Data Protection Policy* and the required *Data Processing Registers*.

Objectives for managing material negative impacts, enhancing positive impacts and managing material risks and opportunities

The objective of the Inter Cars Group's is to create and maintain an integrated, responsible data protection system and ICT infrastructure that proactively minimises the risk of cyber threats, ensures business continuity and supports stakeholder trust.

The Inter Cars Group chooses not to provide details of cyber security targets due to the inclusion of sensitive information.

Negative impact recovery processes

In 2024, there were no substantiated complaints related to customer privacy breaches in the Inter Cars Group. One security incident related to a personal data breach was identified, which took place at Inter Cars d.o.o. in Croatia and was reported to the relevant national data protection authority.

The following corrective measures were implemented in response to the incident - organisational strengthening of the security procedures, including the implementation of new guidelines for employees, and technical safeguards for IT systems to minimise the risk of similar incidents in the future.

The Inter Cars Group constantly monitors potential threats and implements mechanisms to mitigate risks related to cyber security and personal data protection.

Addressing material impacts related to cyber security and data protection

Ensuring an adequate level of security is a key element of the Inter Cars Group's strategy to effectively manage cyber threats and protect the integrity, availability and confidentiality of data. To this end, the following measures are being implemented:

Ensuring the security of data and IT systems includes:

- maintaining and updating the existing security systems,
- updating the cyber security policies and procedures.

Raising staff awareness of cyber security through:

- organising controlled phishing campaigns,
- conducting security awareness training to make employees aware of cyber threats and how to recognise and avoid them, regular information campaigns to raise awareness of threats, e.g. how to recognise phishing and how to report suspicious activity.

Monitoring and testing of IT system security by:

- continuous monitoring of systems' security to detect potential threats,
- regular vulnerability testing of IT systems to identify and address weaknesses in the IT infrastructure.

Raising staff awareness of personal data confidentiality by:

- Providing training during the onboarding process in data confidentiality and GDPR,
- making training materials available on an online training platform accessible to all employees.

These measures constitute an integral part of the Inter Cars Group's strategy to ensure a high level of digital security and compliance with data protection regulations.

(in thousand PLN)

34. STATEMENTS OF THE MEMBERS OF THE MANAGEMENT BOARD AND APPROVAL OF THE FINANCIAL STATEMENTS

In compliance with the requirements laid down in the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent information required by the law of a non-Member State, dated 29 March 2018, the Management Board of Inter Cars S.A. hereby represents as follows:

- to the best of its knowledge the consolidated annual financial statements of Inter Cars S.A. Group. ("Inter Cars") and the comparative data have been prepared in compliance with the International Financial Reporting Standards endorsed by the European Union, issued and effective as at the date of these financial statements, and give a true and fair view of the assets, financial standing and financial results of Inter Cars S.A. Group
- The comments to the annual report constituting an annual report on the activities of the Inter Cars Group gives a true and fair view of the development, achievements and situation of the Inter Cars S.A. Group, including description of basic threats and risks.

Maciej Oleksowicz

President of the
Management Board

Krzysztof Soszyński

Vice-President of the Management
Board

Wojciech Twaróg

Member of the Management Board

Piotr Zamora

Member of the Management Board

Wojciech Aleksandrowicz

Member of the Management Board

Warsaw, 29 April 2025 r.