

VICE CHAIRMAN'S MESSAGE

Dear Members,

A virus has taken us all hostage and has changed the way we live our lives and do our work. I hope that each one of you and your family members are safe and continue to adhere to the respective government's guidelines and are taking all necessary precautions.

It has always been our aim to deliver top financial performance build on transparency and high level of corporate governance as we sustain the long-term profitable growth of the company. In line with this philosophy, we were delighted to have Warburg Pincus, a leading global private equity firm, on board Apollo Tyres with an approximately \$150 million investment in the company. Warburg's investment is a strong vote of confidence in our business, management team and growth prospects. Further, I believe that this partnership will further strengthen Apollo Tyres' board and governance.

While the year at large was a slow year for the auto and the tyre industry, at Apollo Tyres, life was at full steam as we continued to race ahead to achieve our long term vision – "To be a premier tyre company with a diversified and multinational presence". During the year, we continued to do what we do best – launch new products for a better product mix, seed new markets, expand distribution network and focus on cost and process efficiencies.

The year saw us further sharpening our focus on the SUV segment in India to take us to pole position. We launched the all-terrain SUV tyres, Apollo Apterra AT2, for the Off-road enthusiasts. The tyre complemented our existing Apterra range including specialised Highway Luxury, Highway Terrain, High Performance and the All-Terrain tyres furthering our product portfolio for the segment. Looking at the growing demand for the pick-up trucks in India, we introduced Endumaxx brand of tyres for the segment. The confidence about the success of the product comes from the fact that the tyres were designed and developed at our Global R&D Centre, Asia in Chennai to suit the application and terrain requirements and tested extensively for more than a year before being introduced.

The year also saw us entering the Kingdom of Saudi Arabia with a careful long-term market entry strategy. After extensively studying the market for the past few years, we have developed products suited to cater to the Saudi market, which is the largest and important replacement tyre market in the Middle East region. Further, we expanded our product portfolio across various range in India, Europe, Nepal, Sri Lanka and the ASEAN region.

In Europe, we continued to add to our OEM portfolio as we became the preferred choice for the iconic Volkswagen Golf with our Sportrac 5, Wintrac Pro and the

Snowtrac 5 tyres. The definitive recognition of quality continued from Volkswagen and top car manufacturers such as Ford and Seat during the year. Another feather in cap for our European operations was the recognition given by leading auto magazine Auto Bild which recognized it as the 'All-Season Manufacturer of the Year', a testimony to our expertise in crafting high technology All-Season premium tyres. Our tyres continued to be recognized as top performers across Europe and North America. Given the recent focus on the North American market, it was indeed heartening to see Tire Rack Inc ranking our Vredestein Quatrac Pro as the top grand touring all-season tyre, even as the prestigious Consumer Reports named the Vredestein Wintrac Pro as the top performance winter tyre.

Apollo Tyres has been focusing on brand building as one of its key pillars to race ahead of competition. During the year, we did a 360 degree release of the highly loved and watched 'Ganga' TV commercial with cricket legend Sachin Tendulkar and legendary Indian music director, composer, musician and singer, A R Rahman. Further, we launched the United We Play programme to encourage young football talent from across India.

Looking ahead at FY21, we are aware that the COVID-19 pandemic and the lockdown will have serious implications on business. It has been a difficult few months for us - from having to temporarily close our plants and make difficult decisions on cost-cutting across the board. However, it is in the Apollo Tyres DNA to look at challenges as opportunities and we have already launched multiple initiatives under the DRIVE leadership theme... to re-engineer Apollo Tyres. We are learning from the pandemic experience and will make this our new normal as we energize the entire company to achieve higher productivity.

I see the relentless pace continue for each one at Apollo Tyres in FY21. I will continue to update you on a periodic basis on the various initiatives and our learning.

With best regards,

NEERAJ KANWAR

Vice Chairman and Managing Director