

POLISH FINANCIAL SUPERVISION AUTHORITY

Current Report No.

8

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2018

Date: April 25th 2018

Abbreviated issuer name

INTERCARS

Subject

Execution of term sheet agreement

Legal basis:

Art. 17.1 of MAR – Inside information

Text of the report:

The Management Board of Inter Cars S.A. (the "Company") announces that on April 25th 2018 the Company and Liberty Motors S.A. (the "Counterparty") executed a term sheet agreement (the "Term Sheet") concerning a joint venture investment in a limited liability company (the "SPV"), whose business objects will include retail and wholesale distribution of motorcycles, motorcycle parts, gear and accessories (the "Motorcycle Business") (the "Joint Venture").

The Term Sheet defines the framework terms of the transaction to establish the Joint Venture and the terms of further negotiations aimed at signing an investment agreement, a shareholders' agreement and other documents relating to the Joint Venture.

The Company will make a non-cash contribution to the SPV, to which the Counterparty's Motorcycle Business will be transferred, in the form of an organised part of business comprising the Company's Motorcycle Business. The Company and the Counterparty will hold, respectively, a 65% interest and a 35% interest in the SPV, with the proviso that the Company's and the Trading Partner's final interest in the SPV may change due to such factors as change in the valuation of the Company's or the Counterparty's Motorcycle Business.

Under the Term Sheet, the parties agreed to continue, on an exclusive basis, the negotiations concerning the Joint Venture until December 31st 2018. According to the Term Sheet, the execution of the Joint Venture will also require clearance from the President of the Office of Competition and Consumer Protection, and will depend on determining the final

provisions of the investment agreement, the shareholders' agreement and other documents relating to the Joint Venture, as well as on obtaining corporate approvals by the parties to the Term Sheet, including the consent of the Company's General Meeting for the contribution to the SPV of an organised part of the Company's business comprising the Motorcycle Business, and – with regard to Inter Cars Marketing Services Sp. z o.o.'s (the Company's subsidiary) trademarks relating to the Company's Motorcycle Business – a consent of the Company's General Meeting for the sale of those trademarks to the SPV or to the Company or for the performance of other legal transactions enabling the SPV to use the trademarks.

The provisions of the Term Sheet are not binding with regard to the terms and conditions of the planned transaction. It is therefore uncertain whether the investment agreement, the shareholders' agreement and other documents relating to the Joint Venture will be executed. Moreover, the final terms and conditions of these agreements and documents may differ from the general assumptions set forth in the Term Sheet.

In the 2017 financial year, the Group's Motorcycle Business generated revenue of PLN 133.5m (2% of consolidated revenue).

In the Management Board's opinion, the establishment of the Joint Venture will deliver a number of benefits to the Company, including optimisation of the Company's motorcycle business, in particular

with regard to sales of motorcycles and distribution of motorcycle spare parts, accessories and gear. The Management Board believes that establishing the SPV and running a joint venture with the Counterparty – which can boast extensive experience in the motorcycle sector – will help to more effectively leverage the Company's potential with a view to driving further growth of the Group's motorcycle segment based on a new business venture.

Legal basis: Article 17.1 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

INTER CARS S.A.	(full issuer name)
INTERCARS	Trade
(abbreviated issuer name)	(sector according to the WSE)
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(Tax Identification Number – NIP)	(Industry Identification Number – REGON)

SIGNATURES OF AUTHORISED REPRESENTATIVES

Date	Full name	Position	Signature
April 25th 2018	Piotr Zamora	Member of the Management Board	
April 25th 2018	Jacek Piotrowiak	Commercial proxy	