



TRANSLATORS' EXPLANATORY NOTE

The English content of this report is a free translation of the registered auditor's report of the below-mentioned Polish Company. In Poland statutory accounts as well as the auditor's report should be prepared and presented in Polish and in accordance with Polish legislation and the accounting principles and practices generally adopted in Poland.

The accompanying translation has not been reclassified or adjusted in any way to conform to the accounting principles generally accepted in countries other than Poland, but certain terminology current in Anglo-Saxon countries has been adopted to the extent practicable. In the event of any discrepancies in interpreting the terminology, the Polish language version is binding.

Independent Registered Auditor's Report

To the General Meeting and the Supervisory Board of Inter Cars S.A.

Report on the audit of separate financial statements

Our opinion

In our opinion, the accompanying annual separate financial statements:

- give a true and fair view of the separate financial position of Inter Cars S.A. ("the Company") as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the adopted accounting policies;
- comply in terms of form and content with the laws applicable to the Company and the Company's Articles of Association;
- have been prepared on the basis of properly maintained books of account in accordance with the provisions of Chapter 2 of the Accounting Act of 29 September 1994 ("the Accounting Act").

Our opinion is consistent with our additional report to the Audit Committee issued on the date of this report.

What we have audited

We have audited the annual separate financial statements of Inter Cars S.A. which comprise:

- the annual separate statement of financial position as at 31 December 2022;

and the following prepared for the financial year from 1 January to 31 December 2022:

- the annual separate statement of comprehensive income;
- the annual separate statement of changes in equity;
- the annual separate statement of cash flows, and
- the notes comprising a description of the adopted accounting policies and other explanations notes.

Basis for opinion

Basis for opinion

We conducted our audit in accordance with the National Standards on Auditing in the wording of the International Standards on Auditing as adopted by the resolution of the National Council of Statutory Auditors ("NSA") and pursuant to the Law of 11 May 2017 on Registered Auditors, Registered Audit Companies and Public Oversight (the "Law on Registered Auditors") and Regulation (EU) No. 537/2014 of 16 April 2014 on specific requirements regarding the statutory audit of public-interest entities ("the EU Regulation"). Our responsibilities under NSA are further described in the Auditor's responsibilities for the audit of the separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

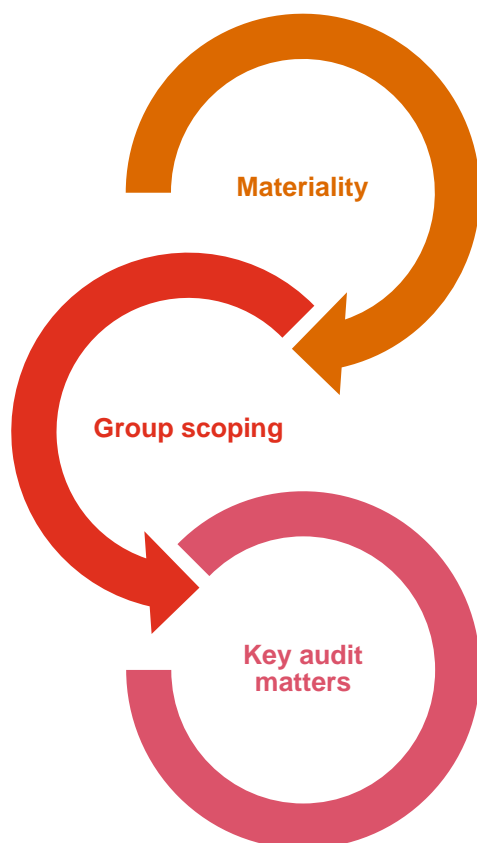
Independence and ethics

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards

Board for Accountants (IESBA Code) as adopted by resolution of the National Council of Statutory Auditors and other ethical requirements that are relevant to our audit of the separate financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. During the audit, the key registered auditor and the registered audit firm remained independent of the Company in accordance with the independence requirements set out in the Act on Registered Auditors and in the EU Regulation.

Our audit approach

Overview



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- The overall materiality threshold adopted for the purposes of our audit was set at PLN 82.500 thousand, which represents 0,8% of the Company's sales revenue.

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- We have audited the annual separate financial statement of the Company for the period ended 31 December 2022.

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- Trade bonuses from suppliers
 - Existence and valuation of inventories
-

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the separate financial statements. In particular, we considered where the Company's Management Board made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.



Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the separate financial statements as a whole, as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the separate financial statements as a whole.

Overall materiality	PLN 82.500 thousand (2021: PLN 67.000 thousand)
How we determined it	0,8% of sales revenue
Rationale for the materiality benchmark applied	We have adopted sales revenue as the basis for determining materiality because, in our opinion, it is an indicator commonly used by the users of separate financial statements to evaluate the Company's operations and is a generally adopted benchmark, especially by entities showing high growth dynamics and generating sales revenue in low-margin sectors. We adopted the materiality threshold at 0.8% because, based on our professional judgement, it is within the acceptable quantitative materiality thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above PLN 4.125 thousand , as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. They include the most significant identified risks of material misstatements, including the identified risks of material misstatement resulting from fraud. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon. We summarized our response to these risks and, when deemed appropriate, presented the most important observations relating to these risks. We do not provide a separate opinion on these matters.

Key audit matter

How our audit addressed the key audit matter

Trade bonuses from suppliers

The Company receives trade bonuses from suppliers related to purchased goods. Rebates are granted and recognized based on realized turnover during the period and contractual arrangements for calculating the amount of rebate due.

The accounting policy regarding the recognition of trade bonuses from suppliers is described in Note 3.3 i) and 3.3 m) to the separate financial statements. The recognition of bonuses leads to a reduction in the cost of goods sold in the statement of comprehensive income and the value of inventories in the statement of separate financial position.

Part of the rebates is recognized and settled during the year, while the remaining part, due for a given period and to be settled in a future period, is recognized as a reduction of trade and other payables up to the balance of the payable to the supplier at the balance sheet date, while the excess is presented under trade and other receivables. Recognition of supplier rebates that have not been settled at the balance sheet date was one of the key issues on our audit because their impact on the Company's cost of goods sold, inventory, accounts receivable and trade payables is significant and the number of agreements with suppliers is substantial.

Our audit procedures comprised in particular:

- Understanding and evaluating the design and appropriate control measures the Company has established in connection with the recognition of supplier bonuses;
- understanding and evaluating the accounting policy used by the Company to settle bonuses from suppliers;
- reviewing selected supplier agreements and understanding the terms and conditions that entitle the Company to supplier bonuses;
- performing a retrospective analysis of bonuses due from prior years with subsequent settlements to assess the accuracy of the Company's estimates in the current year;
- carrying out analytical procedures regarding the correctness and existence of bonuses recognized in the current year based on historical data;
- reconciling bonuses due at the balance sheet date to confirmations received from suppliers on a sample basis or alternative procedures, by reconciling the rebate amounts recognized to the terms of the contracts and other relevant documentation;
- performing analytical procedures to evaluate the allocation of bonuses to inventory outstanding at the balance sheet date;
- considering the adequacy of disclosures of trade bonuses from suppliers in the Company's separate financial statements.

Existence and valuation of inventories

As at the balance sheet date the balance of inventories of goods for resale in the separate financial statements was PLN 2,390 million, representing 38% of the Company's assets. Inventories have been discussed in Note 13 to the separate financial statements.

Inventories are located in three main warehouses (the so-called hubs) and in hundreds of other locations. In order to confirm the existence of inventories, the Company conducts regular counts in various locations during the year (cyclical counts).

The value of inventories is also affected by factors such as purchase prices and impairment.

Our audit procedures comprised in particular:

- understanding the accounting principles related to standard transactions in inventories;
- understanding the control procedures carried out by the Company with respect to the processes related to inventories, assessing the design of these controls and testing the effectiveness of controls verifying the appropriateness of cyclical counts, performed on a selected sample of control procedures;
- participating in selected inventory counts carried out by the Company in order to confirm the existence and usefulness of inventories, and conducting tests on a selected sample of count sheets to warehouse balances and vice versa;

The purchase prices are very significantly affected by contractual arrangements with suppliers concerning rebates and bonuses for the purchase of goods. Rebates and bonuses are based on transaction volumes achieved which to a considerable extent are determined based on estimates as at the moment of preparing the separate financial statements.

Evaluation of impairment requires performing estimates and judgements in the valuation of inventories, especially within the scope of determining the net selling price and estimating the saleability of a given inventory item.

The accounting policy for the valuation of inventories has been described in Note 3.3 i) to the separate financial statements.

Bearing in mind the inherent risk of uncertainty related to significant estimates performed by the Management Board and the materiality of inventory balances shown in the balance sheet, we concluded that this issue is of key importance to our audit

- verifying the correctness of accounting for inventory count differences in the books of account;
- understanding and evaluating the inventory valuation process performed by the Management Board, including evaluating the correctness of valuation adjustments related to rebates and bonuses granted by suppliers, and tests of detail on selected samples:
 - a) valuation of inventories at net selling prices (comparing the warehouse values to values from purchase invoices and net selling prices obtained);
 - b) amounts of rebates due but not yet received (verifying the arithmetical correctness of calculations, consistency with agreements and confirming the input data);
 - c) rebates received in the audited year (reconciliation to adjusting invoices);
 - d) discounts received on cash payment (reconciliation to bank statements);
- understanding and evaluating the process of estimating the impairment of inventories by the Management Board, and evaluating the correctness of determining write-downs of inventories in the case of which the net realizable value (constituting the sales price less rebates, discounts and selling costs) is lower than the purchase price (cost of manufacture), and slow-moving inventories, including tests of detail (verifying the arithmetical correctness of calculations and comparing the carrying amounts to the actual prices on sales invoices issued after the balance sheet date) on a selected sample;
- assessing the completeness and correctness of disclosures concerning inventory write-downs.

Responsibility of the Management and Supervisory Board for the separate financial statements

The Management Board of the Company is responsible for the preparation, based on the properly maintained books of account of annual separate financial statements that give a true and fair view of the Company's separate financial position and results of operations, in accordance with the International Financial Reporting Standards as adopted by the European Union, the adopted accounting policies, the applicable laws and the Company's Articles of Association, and for such internal control as the Management Board determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the Company's Management Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



The Company's Management Board and members of its Supervisory Board are obliged to ensure that the separate financial statements comply with the requirements specified in the Accounting Act. Members of the Supervisory Board are responsible for overseeing the financial reporting process.

Auditor's responsibility for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the NSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these separate financial statements.

The scope of the audit does not cover an assurance on the Company's future profitability or the efficiency and effectiveness of the Company's Management Board conducting its affairs, now or in future.

As part of an audit in accordance with the NSA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Management Board.
- Conclude on the appropriateness of the Company's Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Audit Committee, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other information, including the Report on the operations

Other information

Other information comprises:

- Report on the Company's and Inter Cars S.A. Group ("the Group") operations, in which the Inter Cars S.A. is the parent company for the financial year ended 31 December 2022 ("the Joint Report on the operations") and the corporate governance statement which is a separate part of the Joint Report on the operations,
- separate report on non-financial information,
- other documents comprising the Annual Report for the financial year ended 31 December 2022 ("the Annual Report")

(together "Other Information"). Other information does not include the separate financial statements and our auditor's report thereon.

Responsibility of the Management and Supervisory Board

The Management Board of the Company is responsible for preparing Other Information in accordance with the law.

The Company's Management Board and the members of the Supervisory Board are obliged to ensure that the Joint Report on the operations including its separate part and a separate report on non-financial information complies with the requirements of the Accounting Law.

Registered auditor's responsibility

Our opinion on the separate financial statements does not cover the Other Information.

In connection with our audit of the separate financial statements, our responsibility is to read Other Information and, in doing so, consider whether the Other information is materially inconsistent with the information in the separate financial statements, our knowledge obtained in our audit, or otherwise appears to be materially misstated. If, based on the work performed, we identified a material misstatement in Other Information, we are obliged to inform about it in our audit report. In accordance with the requirements of the Law on the Registered Auditors, we are also obliged to issue an opinion on whether the Joint Report on the operations has been prepared in accordance with the law and is consistent with information included in annual separate financial statements and consolidated financial statements.

Moreover, we are obliged to issue an opinion on whether the Company and the Group provided the required information in their corporate governance statement and to inform whether the Company and the Group prepared a separate report on non-financial information.

Statement on the Other information

We declare, based on the knowledge of the Company and its environment obtained during our audit, that we have not identified any material misstatements in Joint Report on the Company's and Group's operations and in the remaining elements of Other Information.

Opinion on the Joint Report on the operations

Based on the work we carried out during the audit, in our opinion, the Joint Report on the Company's and Group's operations:

- has been prepared in accordance with the requirements of Article 49 of the Accounting Act and para. 70 and para. 71 of the Regulation of the Minister of Finance dated 29 March 2018 on current and periodical information submitted by issuers of securities and conditions for considering as equivalent the information required under the legislation of a non-Member State ("Regulation on current information");
- is consistent with the information in the separate financial statements and consolidated financial statements.

Opinion on the corporate governance statement

In our opinion, in its corporate governance statement, the Company and the Group included information set out in para. 70.6 (5) of the Regulation on current information. In addition, in our opinion, information specified



in paragraph 70.6 (5)(c)–(f), (h) and (i) of the said Regulation included in the corporate governance statement are consistent with the applicable provisions of the law and with information included in the separate financial statements and consolidated financial statements.

Information on non-financial information

In accordance with the requirements of the Act on the Registered Auditors, we confirm that the Company and the Group have included in their Joint Report on the operations, information on the preparation of a separate report on non-financial information referred to in Article 49b (9) and in Article 55 (2c) of the Accounting Act and that the Company and the Group have prepared such a separate report.

We have not performed any assurance work relating to the separate report on non-financial information and we do not provide any assurance with regard to it.

Report on other legal and regulatory requirements

Statement on the provision of non-audit services

To the best of our knowledge and belief, we declare that the non-audit services we have provided to the Company and its subsidiaries are in accordance with the laws and regulations applicable in Poland and that we have not provided any non-audit services prohibited under Article 5(1) of the EU regulation and Article 136 of the Act on Registered Auditors.

The non-audit services which we have provided to the Company and its subsidiaries during the audited period are disclosed in the Joint Report on the Company's and Group's operations.

Appointment

We have been appointed for the first time to audit the annual separate financial statements of the Company by resolution of the Supervisory Board dated 20 June 2016, re-appointed by resolution dated 4 June 2018 and by resolution dated 24 May 2021. We have been auditing the Company's separate financial statements without interruption since the financial year ended 31 December 2016, i.e. for 7 consecutive years.

The Key Registered Auditor responsible for the audit on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., a company entered on the list of Registered Audit Companies with the number 144, is Wiktor Morawiec.

[TRANSLATION FROM POLISH]

Wiktor Morawiec
Key Registered Auditor
No. 13231

Warsaw, 27 April 2023