

**CAPITAL GROUP OF
INTER CARS**

*Quarterly report including interim consolidated
report on the activities of the Inter Cars S.A. Capital Group
for the period of 3 months ended on
30 September 2018*



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Selected consolidated financial data of the Inter Cars Group

	<i>for the period of 9 months ended on 30 September</i>			
	2018	2017	2018	2017
	in thousand PLN	in thousand PLN	EUR '000	EUR '000
Information on growth and profits				
Sales revenue	5,822,322	5,002,260	1,368,831	1,175,177
Sales margin	29.7%	30.1%		
EBITDA	304,963	278,106		65,335
EBITDA as percentage of sales	5.2%	5.6%		
EBITDA (for 12 consecutive months)	386,841	375,458		88,206
Net debt / EBITDA	3.29	3.09		
Basic earnings per share (PLN)	12.73	11.88	2.99	2.79
Diluted earnings per share (PLN)	12.73	11.88	2.99	2.79
Operating profit	249,241	228,946	58,597	53,786
Net profit	180,389	168,351	42,410	39,551
Cash flows				
Operating cash flows	(82,812)	(106,706)	(19,469)	(25,068)
Investing cash flows	(73,078)	(70,725)	(17,181)	(16,615)
Financing cash flows	124,412	196,292	29,249	46,115
Employment and branches				
Employees				
Parent company	551	451		
Subsidiaries	2,818	2,387		
Branches				
Parent company	251	240		
Subsidiaries	294	258		
total	545	498		
Consolidated statement of the financial situation				
	As at		As at	
	30/09/2018	31.12.2017	30/09/2018	31.12.2017
	in thousand PLN	in thousand PLN	EUR '000	EUR '000
Cash and cash equivalents	129,437	160,915	30,303	38,580
Balance sheet total	4,139,260	3,402,978	969,064	815,886
Loans, borrowings and finance lease	1,401,643	1,222,551	328,146	293,114
Equity attributable to the shareholders of the parent entity	1,785,933	1,616,028	418,114	387,453

The following exchange rates were applied to calculate selected financial data in EUR:

- for balance sheet items – the National Bank of Poland exchange rate of 30 September 2018 – 1 EUR = PLN 4.2714, and the National Bank of Poland exchange rate of 31 December 2017 – 1 EUR = PLN 4.1709
- for the profit and loss account and cash flow items – the National Bank of Poland Exchange rate constituting the average National Bank of Poland exchange rate announced on the last day of each month of the 3 quarters of 2018 and 2017: 1 EUR = PLN 4.2535 and 1 EUR = PLN 4.2566.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE INTER CARS GROUP

Interim Consolidated statement of the financial situation

<i>(in thousand PLN)</i>	30/09/2018 <i>(not audited)</i>	31.12.2017	30/09/2017 <i>(not audited)</i>
ASSETS			
Non-current assets			
Property, plant and equipment	487,919	478,150	478,662
Investment property	21,530	21,530	22,103
Intangible assets	189,089	180,959	175,617
Investments in associates	924	924	2,973
Investments available for sale	301	301	301
Receivables	23,582	20,014	20,860
Deferred tax assets	16,256	24,145	25,743
	739,601	726,023	726,259
Current assets			
Inventories	2,365,546	1,771,176	2,097,102
Trade and other receivables	901,757	739,360	790,119
Income tax receivables	2,919	5,504	12,407
Cash and cash equivalents	129,437	160,915	140,288
	3,399,659	2,676,955	3,039,916
TOTAL ASSETS	4,139,260	3,402,978	3,766,175
LIABILITIES			
Share capital	28,336	28,336	28,336
Share premium account	259,530	259,530	259,530
Supplementary capital	967,357	832,483	831,574
Other capital reserves	19,030	19,030	10,458
Foreign exchange gains /losses	(26,862)	(26,437)	(15,991)
Retained earnings	538,542	503,086	464,490
Total equity	1,785,933	1,616,028	1,578,397
Long-term liabilities			
Loan, borrowing and finance lease liabilities	657,564	658,384	658,428
Other long-term liabilities	4,806	3,116	2,778
Deferred income tax provisions	10,167	25,497	15,279
	672,537	686,997	676,485
Short-term liabilities			
Trade and other liabilities	873,217	490,304	818,057
Loan, borrowing and finance lease liabilities	744,079	564,167	644,745
Liabilities of the reverse factoring	-	-	-
Employee benefits	22,729	21,314	22,121
Income tax liabilities	40,765	24,168	26,370
	1,680,790	1,099,953	1,511,293
TOTAL LIABILITIES	4,139,260	3,402,978	3,766,175

Interim consolidated statement of comprehensive income

<i>(in thousand PLN)</i>	for the period of 3 months ended on		for the period of 9 months ended on	
	30/09/2018	30/09/2017	30/09/2018	30/09/2017
Continued activity				
Sales revenues	2,035,656	1,768,015	5,822,322	4,986,862
Cost of sales	(1,448,769)	(1,228,094)	(4,091,466)	(3,485,711)
Gross profit on sales	586,887	539,921	1,730,856	1,501,151
Other operating revenues	28,762	6,691	37,119	20,750
Selling cost, general and administrative expenses	(289,979)	(269,380)	(856,563)	(740,335)
Distribution expenses	(215,209)	(188,517)	(624,577)	(526,626)
Other operating costs	(29,355)	(5,688)	(37,594)	(25,994)
Operating profit		83,027	249,241	228,946
Financial income	693	(3,767)	1,266	1,650
Exchange differences	5,504	1,269	(1,641)	1,462
Financial costs	(11,248)	(10,485)	(32,381)	(29,721)
Profit before tax	76,055	70,044	216,485	202,337
Income tax	(12,214)	(10,032)	(36,096)	(33,986)
Net profit	63,841	60,012	180,389	168,351
OTHER COMPREHENSIVE INCOME				
Foreign exchange gains /losses	(7,738)	1,751	(425)	(3,903)
Total other comprehensive income, net	(7,738)	1,751	(425)	(3,903)
COMPREHENSIVE INCOME	56,103	61,763	179,964	164,448
Net profit attributable to:				
- the shareholders of the parent entity	63,841	60,012	180,389	168,351
- minority interests	-	-	-	-
	63,841	60,012	180,389	168,351
Comprehensive income attributable to:				
- the shareholders of the parent entity	56,103	61,763	179,964	164,448
- minority interests	-	-	-	-
	56,103	61,763	179,964	164,448
Net profit	63,841	60,012	180,389	168,351
Weighted-average number of ordinary shares	14,168,100	14,168,100	14,168,100	14,168,100
Earnings per ordinary share (in PLN)	4.51	4.24	12.73	11.88
Weighted-average diluted number of ordinary shares	14,168,100	14,168,100	14,168,100	14,168,100
Diluted earnings per ordinary share (in PLN)	4.51	4.24	12.73	11.88

Interim consolidated statement of changes in equity

for the period from 01 January 2018 to 30 September 2018 (not audited)

<i>(in thousand PLN)</i>	Share capital	Share premium account	Supplementary capital	Foreign exchange gains /losses	Other capital reserves	Retained earnings	Equity attributable to the shareholders of the parent entity
As at 01 January 2018	28,336	259,530	832,483	(26,437)	19,030	503,086	1,616,028
Profit in the reporting period	-	-	-	-	-	180,389	180,389
Other comprehensive income							
Foreign exchange gains /losses	-	-	-	(334)	-	-	(334)
Total comprehensive income	-	-	-	(334)	-	180,389	180,055
Transactions with shareholders							
Distribution of prior period profit – dividend	-	-	-	-	-	(10,059)	(10,059)
Distribution of prior period profit - allocation to reserve capitals	-	-	134,874	-	-	(134,874)	-
As at 30 September 2018 (not audited)	28,336	259,530	967,357	(26,771)	19,030	538,542	1,786,024

for the period from 01 January 2017 to 31 December 2017

<i>(in thousand PLN)</i>	Share capital	Share premium account	Supplementary capital	Foreign exchange gains /losses in subsidiaries	Other reserve capitals	Retained earnings	Total equity
As at 01 January 2017	28,336	259,530	731,510	(12,088)	10,458	406,262	1,424,008
Profit in the reporting period	-	-	-	-	-	216,428	216,428
Other comprehensive income							
Foreign exchange gains /losses in subsidiaries	-	-	-	(14,349)	-	-	(14,349)
Total comprehensive income	-	-	-	(14,349)	-	216,428	202,079
Transactions with shareholders							
Distribution of prior period profit – dividend	-	-	-	-	-	(10,059)	(10,059)
Distribution of retained profits - transfer to supplementary and reserve capital	-	-	100,973	-	8,572	(109,545)	-
As at 31 December 2017	28,336	259,530	832,483	(26,437)	19,030	503,086	1,616,028

for the period from 01 January 2017 to 30 September 2017 (not audited)

<i>(in thousand PLN)</i>	Share capital	Share premium account	Supplementary capital	Foreign exchange gains /losses	Other reserve capitals	Retained earnings	Equity attributable to the shareholders of the parent entity	Non-controlling interest	Total equity
As at 01 January 2017	28,336	259,530	731,510	(12,088)	10,458	406,262	1,205,878	-	1,205,878
Statement of comprehensive income									
Net profit in the reporting period	-	-	-	-	-	168,351	168,351	-	168,351
Other comprehensive income									
Foreign exchange gains /losses	-	-	-	(3,903)	-	-	(3,903)	-	(3,903)
Total comprehensive income	-	-	-	(3,903)	-	168,350	164,447	-	164,447
Transactions with shareholders									
Distribution of prior period profit – dividend	-	-	-	-	-	(10,059)	(10,059)	-	(10,059)
Distribution of prior period profit - allocation to reserve capitals	-	-	100,064	-	-	(100,064)	-	-	-
As at 30 September 2017 (not audited)	28,336	259,530	831,574	(15,991)	10,458	464,490	1,578,397	-	1,578,397

Interim consolidated statement of cash flows

(in thousand PLN)

	01/01/2018 30/09/2018	01/01/2017 30/09/2017
Cash flows from operating activities		
Profit before tax	216,485	202,337
Adjustments:		
Depreciation and amortization	55,722	49,160
Foreign exchange gains /losses	4,531	(2,653)
(Profit) /loss on the sale of property, plant and equipment	4,758	3,920
Net interest	30,263	25,971
Other adjustments, net	(7,355)	(9,769)
Operating profit before changes in the working capital	304,404	268,966
Increase (decrease) in inventories	(594,370)	(586,983)
Change in receivables	(163,411)	(98,676)
Change in short-term liabilities	394,188	337,246
Cash generated by operating activities	(58,989)	(79,447)
Corporate income tax paid	(23,823)	(27,259)
Net cash from operating activities	(82,812)	(106,706)
Cash flow from investing activities		
Proceeds from the sale of intangible assets, investment property, property, plant and equipment	811	3,487
Acquisition of intangible assets, investment property, and property, plant and equipment	(71,860)	(73,622)
Repayment of loans granted	1,051	1,341
Cost of acquisition of shares in other entities	-	(1,273)
Loans granted	(3,754)	(750)
Interest received	674	92
Net cash from investing activities	(73,078)	(70,725)
Cash flow from financing activities		
(repayments) / proceeds from loans and lease	170,188	337,182
Financial lease contracts liabilities	(3,004)	(4,904)
Interest paid	(29,713)	(24,927)
Dividend paid	(10,059)	(10,059)
Payment of the reverse factoring	-	(101,000)
Net cash from financing activities	124,412	196,292
Net change in cash and cash equivalents	(31,478)	18,862
Cash and cash equivalents at the beginning of the period	160,915	121,426
Cash and cash equivalents at the end of the period	129,437	140,288

Explanatory notes to the interim condensed financial statements for the period of 3 months ended on 30 September 2018

I. Information about the Inter Cars Capital Group

Scope of activities

The principal activities of Grupa Kapitałowa Inter Cars Spółka Akcyjna (hereinafter referred to as "the Group," "the Inter Cars Capital Group," the Inter Cars Group") are import and distribution of spare parts for passenger cars and commercial vehicles. The parent company in the Group is Inter Cars S.A. Company ("the Company", "the parent entity").

Registered seat– the parent entity

Inter Cars S.A.
ul. Powsińska 64
02-903 Warsaw
Poland

Central Warehouse:

Europejskie Centrum Logistyczne (European Logistics Centre)
Ul. Swobodnia 35
05-170 Zakroczym

Contact and administrative details

The Company has been entered into the Register of Companies of the National Court Register kept by the District Court for the capital city of Warsaw, in Warsaw, XII Commercial Department of the National Court Register, under the following number:

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Supervisory Board

Andrzej Oliszewski, President
Piotr Płoszajski
Tomasz Rusak
Michał Marczak
Jacek Klimczak

Management Board (as at the date of approval of the financial statements)

Maciej Oleksowicz, President
Krzysztof Soszyński, Vice-President
Krzysztof Oleksowicz
Wojciech Twaróg
Piotr Zamora
Tomáš Kaštil

On the day of 26 April 2018, Vice-President of the Management Board, Mr Robert Kierzek, handed a statement on his resignation from applying for renewal of his term in the office as the Member of The Management Board to the Supervisory Board.

On the day of 4 June 2018, the Supervisory Board of Inter Cars S.A. appointed the Board of Managers of the Company for a period of 4 years in the office, which started on the day of an Annual General Shareholders Meeting confirming the financial statements for the year 2017, i.e. on 21 June 2018, composed of:

Maciej Oleksowicz, President;
 Krzysztof Soszyński, Vice-President;
 Krzysztof Oleksowicz;
 Wojciech Twaróg;
 Piotr Zamora;
 Tomáš Kaštil.

Statutory auditor

PricewaterhouseCoopers Sp. z o.o.
 Ul. Lecha Kaczyńskiego 14,
 00-638 Warsaw

II. Composition of the Capital Group

The parent company, Inter Cars S.A. ("the Company") is registered in Poland. The interim consolidated financial statements for the period ended on 30 September 2017 contain information about the company, its subsidiaries referred to as the Inter Cars Capital Group ("the Group"), and about the Group's share in related entities.

The consolidated financial statements of the Inter Cars Capital Group for the period ended on 31 December 2017 are available at www.intercars.eu.

As at 30 September 2018, the following entities comprised the Inter Cars Capital Group: Inter Cars S.A. as the parent entity, and 30 other entities, including:

- 29 subsidiaries of Inter Cars S.A.
- 2 indirect subsidiaries of Inter Cars S.A.

The Group also holds shares in one associated entity.

Name of entity	Registered seat	Scope of activities	Consolidation method	% of the Group's share in the share capital	
				30/09/2018	30/09/2017
Parent company					
Inter Cars S.A.	Warsaw, Poland	Import and distribution of spare parts for passenger cars and commercial vehicles	full	Not applicable	Not applicable
Direct subsidiaries					
Inter Cars Ukraine	Khmelnytsky, Ukraine	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Q-service Sp. z o.o.	Cząstków Mazowiecki, Poland	Advisory services, organization of trainings and seminars related to automotive services and the automotive market	full	100%	100%
Lauber Sp. z o.o.	Słupsk, Poland	Remanufacturing of car parts	full	100%	100%
Inter Cars Česká republika s.r.o.	Prague, Czech Republic	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Feber Sp. z o.o.	Warsaw, Poland	Manufacture of motor vehicles, trailers and semi-trailers	full	100%	100%

Name of entity	Registered seat	Scope of activities	Consolidation method	% of the Group's share in the share capital	
				30/09/2018	30/09/2017
IC Development & Finance Sp. z o.o	Warsaw, Poland	Real estate development and lease	full	100%	100%
Armatus sp. z o.o.	Warsaw, Poland	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Slovenská republika s.r.o.	Bratislava, Slovakia	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Lietuva UAB	Vilnius, Lithuania	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
JC Auto s.r.o.	Karvina-Darkow, Czech Republic	The Company does not carry out operating activities	full	100%	100%
JC Auto S.A.	Braine-le-Château, Belgium	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Hungária Kft	Budapest, Hungary	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Italia s.r.l (formerly JC Auto s.r.l.)	Milan, Italy	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars d.o.o.	Zaprešić (Grad Zaprešić), Croatia	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Romania s.r.l.	Cluj-Napoca, Romania	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Cyprus Limited	Nicosia, Cyprus	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Latvija SIA	Mārupes nov., Mārupe, Latvia	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Cleverlog-Autoteile GmbH	Berlin, Germany	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Bulgaria Ltd.	Sofia, Bulgaria	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Marketing Services Sp. z o.o.	Warsaw, Poland	Advertising, market and public opinion research	full	100%	100%
ILS Sp. z o.o.	Kajetany (Gm. Nadarzyn), Poland	Logistics services	full	100%	100%
Inter Cars Malta Holding Limited	Birkirkara, Malta	Assets management	full	100%	100%
Q-service Truck Sp. z o.o.	Warsaw, Poland	Sale of commercial vehicles and trucks	full	100%	100%
Inter Cars INT d.o.o.	Ljubljana, Republic of Slovenia	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Eesti OÜ	Tallinn, Estonia	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Piese Auto s.r.l.	Kishinev, Moldova	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars GREECE*	Athens, Greece	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars d.o.o.	Sarajevo, Bosnia and Herzegovina	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%

Name of entity	Registered seat	Scope of activities	Consolidation method	% of the Group's share in the share capital	
				30/09/2018	30/09/2017
Inter Cars United Kingdom - automotive technology Ltd **	London, Great Britain	Distribution of spare parts for passenger cars and commercial vehicles	Not applicable	100%	100%
Inter Cars Malta Limited***	Birkirkara, Malta	Sale of spare parts and advisory services related to automotive services and the automotive market	full	100%	100%
Aurelia Auto d.o.o.****	Vinkovci, Croatia	Distribution of spare parts and real estate rental	full	100%	100%
Associated entities					
InterMeko Europa Sp. z o.o.	Warsaw, Poland	Control and assessment of spare parts, components and accessories	equity method	50%	50%

* The Company started operating activity in 3Q 2017

**The Company does not carry out operating activities

*** 100% shares held by subsidiary company Inter Cars Malta Holding Limited

**** 100% shares held by subsidiary company Inter Cars d.o.o. (Croatia)

Stock exchange listings

The shares of Inter Cars S.A., i.e. the parent entity, are listed on the Warsaw Stock Exchange in the continuous trading system.

III. Declaration of compliance with IFRS

Interim condensed consolidated financial statements of Inter Cars S.A. Capital Group (hereinafter referred to as "the condensed interim financial statements") were prepared for the period of 9 months ended on 30 September 2018.

The condensed interim financial statements comply with the requirements of the International Accounting Standard IAS 34 "Interim Financial Reporting" related to interim financial statements, and do not contain all the information required for annual financial statements. The condensed interim financial statements should be read together with the annual consolidated financial statements prepared in compliance with IFRS standards ended on 31 December 2017. In presented reporting period in the Group there were no changes in accounting policies in comparison to policies described in annual financial statements for the year 2017, except for implementation of new or modified accounting standards which are in force for annual statements starting on or after 1 January 2018.

New Standards and Interpretations

IFRS 15 Revenues from Contracts with Customers - Accounting principles

Starting from 1 January 2018 the new standard is in use: **IFRS 15 Revenues from Contracts with Customers**, published in May 2014 and amended in April 2016, sets the so-called five-step model of recognizing income resulting from contracts with customers. According to IFRS 15, revenue is recognized at the amount of the consideration which an entity is entitled to for transferring goods and services as promised to a customer. The fundamental principle of the new standard is the recognition of revenues upon the transfer of control over goods and services to a customer at a transactional price. All goods or services sold in packages that can be separated from a package are to be recognized separately. Moreover, any discounts and rebates on the transactional price are to be allocated to particular elements of a package. In the case of a variable revenue, according to the standard, the variable amounts are recognized as revenue, provided that it is highly probable that its inclusion will not result in a significant revenue reversal in the future as a result of revaluation. Moreover, according to IFRS 15, the costs incurred to obtain and secure a contract with a customer are to be activated and cleared over time throughout the period during which a contract brings benefits.

Inter Cars S.A. is running its business activity in the following areas:

1. Sale of goods

The Group's main objects are the wholesale of goods through stationary stores and on-line sale of goods.

Inter Cars S.A. believes that the adoption of IFRS 15 as of 1 January 2018 has no significant bearing on the recognition of revenues and the financial results on this type of sale. The revenues are recognized in a particular moment, i.e. when a customer gains control over goods, as was before 01 January 2018.

Due to the bonuses and returns policy applied, the Group decreases the value of the revenues by an estimated cost of such bonuses and returns. According to IFRS 15 the same methodology is continued also after 1 January 2018.

2. Sale of goods and services

Inter Cars S.A. sells services only to a limited extent and these include mainly repair services provided to fleet chains. The Group believes that customers simultaneously receive and gain benefits resulting from the services rendered upon their completion, as these services are short-term ones. Hence, the Group will continue to recognize sales revenues upon the completion of a settlement month.

The IFRS 15 effective as of 1 January 2018 do not have a bearing on the financial result of the Group and the Company.

IFRS 9 – Financial Instruments - Accounting principles

The new IFRS 9 standard became effective as of 1 January 2018, and performs fundamental changes in classification, presentation and valuation of financial instruments. The standard embraces, among other things, a new fair value loss model, requiring that the anticipated credit losses are recognized on deadline. In addition, the hedge accounting application principles are updated.

Application of IFRS 9 has not had significant bearing on accounting principles used by Inter Cars S.A. with regard to the activities of the Group or its financial results, and on the statement of financial position and equity.

1. Classification and measurement of financial assets

Trade receivables are maintained for the purpose of obtaining financial flows resulting from the agreement and the Group does not sell its trade receivables through factoring - they continue to be measured at an amortized cost through the financial result.

2. Impairment

As regards the credit risk, the Group has analysed the hitherto methodology of making write-down on receivables, which provided for an individual and an index-based approach based on historical profitability statistics and believes that upon the first application of the standard the receivables did not change significantly.

3. Hedge accounting

The Group does not use hedge accounting.

Comparability of data

Changes in the presentation of financial statements include decreasing the re-invoicing income by the costs incurred.

In the presented financial statements the principle of data comparability has been applied. Below charts present statement of differences arising due to changes in presentation of comparable data in report for 9 months of 2017, in thousand PLN

Table presenting transformation of disclosure of consolidated data

(in thousand PLN)

	for the period of 9 months ended on		
	30/09/2017	Change in presentation	30/09/2017 (after transformation)
Continued activity			
Revenues from the sale of products, goods and materials	5,002,260	(15,398)	4,986,862
Cost of sales	<u>(3,495,774)</u>	<u>10,063</u>	<u>(3,485,711)</u>
Gross profit on sales	1,506,486	(5,335)	1,501,151
Other operating revenues	24,094	(3,344)	20,750
Selling cost, general and administrative expenses	(748,982)	8,647	(740,335)
Distribution expenses	(526,626)	-	(526,626)
Other operating costs	<u>(26,026)</u>	<u>32</u>	<u>(25,994)</u>
Operating profit	228,946	-	228,946
Financial income	1,650	-	1,650
Exchange differences	1,462	-	1,462
Financial costs	(29,721)	-	(29,721)
Profit before tax	202,337	-	202,337
Income tax	(33,986)	-	(33,986)
Net profit	168,351	-	168,351
Attributable to:			
shareholders of the parent company	<u>168,351</u>	<u>-</u>	<u>168,351</u>
	168,351	-	168,351
OTHER COMPREHENSIVE INCOME			
Foreign exchange gains /losses	(3,903)	-	(3,903)
COMPREHENSIVE INCOME	164,448	-	164,448

Table presenting transformation of disclosure of separate data

(in thousand PLN)

	for the period of 9 months ended on		
	30/09/2017	Change in presentation	30/09/2017 (after transformation)
Continued activity			
Revenues from the sale of products, goods and materials	3,894,637	(5,531)	3,889,106
Cost of sales	(2,996,046)	5,531	(2,990,515)
Gross profit on sales	898,591	-	898,591
Other operating revenues	16,053	-	16,053
Selling cost, general and administrative expenses	(439,743)	-	(439,743)
Distribution expenses	(328,057)	-	(328,057)
License fees	(61,160)	-	(61,160)
Other operating costs	(43,093)	-	(43,093)
Operating profit	42,591	-	42,591
Financial income	2,093	-	2,093
Dividends received	128,327	-	128,327
Exchange differences	1,268	-	1,268
Financial costs	(31,483)	-	(31,483)
Profit before tax	142,796	-	142,796
Income tax	(5,018)	-	(5,018)
Net profit	137,778	-	137,778
COMPREHENSIVE INCOME	137,778	-	137,778

Interim condensed consolidated financial statement of Inter Cars S.A. Capital Group prepared for the period of 3 months ended on 30 September 2018 with explanatory notes to interim condensed financial statements and quarterly financial information of Inter Cars S.A. 3Q 2018 was approved by the Board of Managers for publication on 13 November 2018.

IV. Basis for preparing the condensed interim consolidated financial statements

With the exception of the changes described in "Changes to the accounting principles," these condensed interim financial statements were prepared by the Inter Cars Capital Group in accordance with the same accounting standards as those applied by the Group to prepare the consolidated financial statements for the period ended on 31 December 2017.

The condensed interim consolidated financial statements were prepared under the assumption that Group will continue as a going concern in the foreseeable future and that there are no circumstances indicating a threat to the continuance of its operations.

All values presented in the condensed interim financial statements are quoted in PLN '000, unless otherwise indicated.

V. Changes to the accounting principles

During the reporting period the Group made no changes to the accounting principles.

VI. Foreign exchange rates applied to calculate the figures for Q3 2018.

All financial figures presented in the report in EUR were translated according to the following exchange rates:

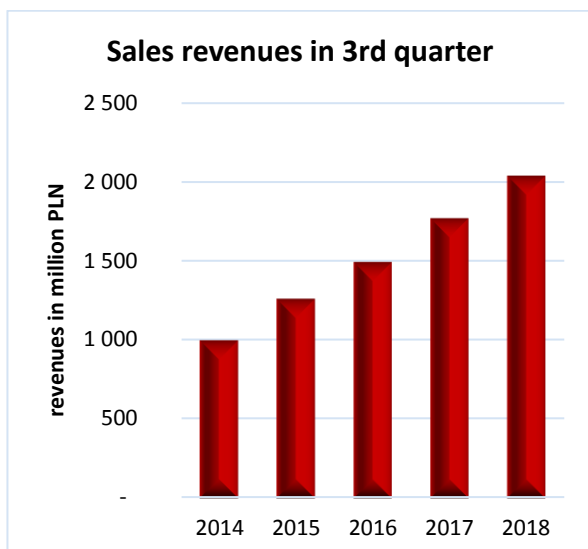
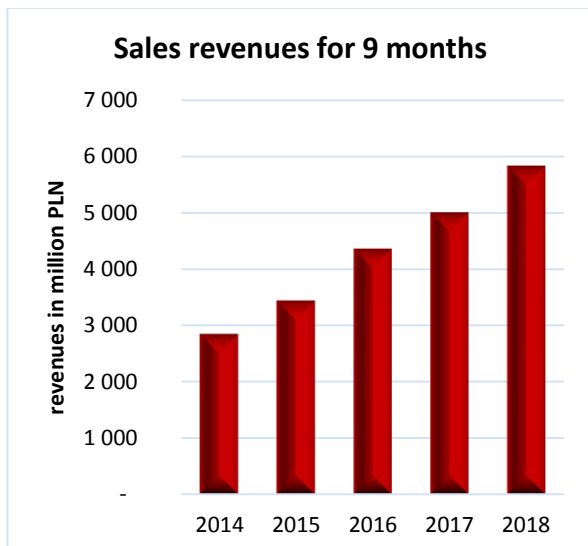
	Average exchange rate during the reporting period		Exchange rate at the end of the reporting period	
	9 months of 2018	9 months of 2017	30/09/2018	31/12/2017
EUR/PLN	4.2535	4.2566	4.2714	4.1709

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

- the figures resulting from the profit and loss account – the average exchange rate constituting the arithmetic mean of the exchange rates announced by President of the National Bank of Poland on the last day of each month of a given period;
- the figures resulting from the balance sheet – the exchange rate as at 30 September constituting the average EUR exchange rate announced on 30 September by the President of the National Bank of Poland;
- for translating the value of the share capital – the average EUR exchange rates applicable on the day on which an increase in the share capital was registered.

OTHER INFORMATION ON THE ACTIVITIES OF THE INTER CARS CAPITAL GROUP

1. Summary of activities and consolidated and separate financial results for three quarters 2018



Summary of financial results of the Inter Cars Group

- In 3Q 2018, the Group recorded an **15,1% increase of consolidated sales revenues** compared to the same period of 2017. **The growth in consolidated sales revenues** for the period of 9 months 2018 reached 16.4%.

Export sales, understood as sales by the overseas distribution companies, and direct sales by Inter Cars S.A. to foreign clients (mainly to Eastern European markets)

increased by 24.8% compared to the analogous period a year before.

Export sales from Poland went up by 23.7%, whilst export sales from foreign branches went up by 24.9% in the period of 9 months of 2018, compared to the same period of 2017.

- Inter Cars' domestic revenue accounted for app. 54 % of the Group's total revenue (including consolidation exemptions), compared to 56.8% in the same period a year before. The Polish market remains the basic sales market for the Capital Group.
- Within the last 9 months, starting from 01 January 2018 Year, the Group opened 38 new branches in the country and abroad.
- The consolidated margin on sale of commodities for 3 quarters reached 29,7% (30.1% in the same period of 2017). The Board of Directors is expecting to keep the margin in the following quarters. During the periods subject to comparison, the impact of foreign exchange fluctuations on the margin was insignificant (-0.1% in the first three quarters of 2018 and + 0.2% in the same period of 2017).
- The costs of sales and administration in 9 months of 2018 went down by 0.3% to 14.7% compared to the same period of 2017, when it was on the level of 15.0%.
- The consolidated gross profit for the period of 9 months of 2018 was PLN 216,485 thousand and net profit was PLN 180,389 thousand. PLN
- The effective tax rate for the Group for 9 months cumulatively was 16.7%.
- The increase in the value of the warehouse to the level of PLN 2.4 billion is related to lower sales dynamics in the third quarter of 2018. In addition, the increase in inventory is related to the replenishment of new branches and the regional warehouse in Sofia, which was opened at the beginning of September 2018..

Revenues increased in all geographical markets.

The Company has been consistently expanding its business. This market displays a large potential of growth and a net profitability higher than the domestic market. The highest sales dynamics after 3 quarters of 2018 – compared to the same period of the previous year – (after translation to PLN and consolidation exclusions) was recorded by companies in the following countries: Bosnia and Herzegovina (625%), Moldova (160%), Estonia (100%) and Cleverlog (67%). It should be noted that among companies the biggest impact on the Group's revenues, besides Romania (13%) are Lithuania (14%), Czech (20%), Bulgaria (29%), Hungary (23%) and Croatia (21%).

The underlying financial data of the Inter Cars S.A. Group in the Q3 2018 were as follows:

	for the period of 9 months ended on 30 September		for the period of 9 months ended on 30 September	
	2018	2017	2018	2017
	PLN	PLN	EUR	EUR
(<i>'000</i>)				
Profit and loss account (for the period)				
Sales revenue	5,822,322	5,002,260	1,368,831	1,175,177
Gross profit (loss) on sales	1,730,856	1,506,486	406,925	353,918
Net financial revenues / costs	(32,756)	(26,610)	(7,701)	(6,251)
Operating profit (loss)	249,241	228,946	58,597	53,786
Net profit (loss)	180,389	168,351	42,410	39,551
Other financial data				
Operating cash flows	(82,812)	(106,706)	(19,469)	(25,068)
Investing cash flows	(73,078)	(70,725)	(17,181)	(16,615)
Financing cash flows	124,412	196,292	29,249	46,115
Basic profit per share	12.73	11.88	2.99	2.79
Sales margin	29.7%	30.2%		
EBITDA margin	5.2%	5.6%		
Balance sheet (as at)	30/09/2018	31/12/2017	30/09/2018	31/12/2017
Cash and cash equivalents	129,437	160,915	30,303	38,580
Balance sheet total	4,139,260	3,402,978	969,064	815,886
Loans, borrowings and finance lease	1,401,643	1,222,551	328,146	293,114
Equity attributable to the shareholders of the parent entity	1,785,933	1,616,028	418,114	387,453

Overview of the financial results of the parent company – Inter Cars

The underlying financial data of Inter Cars S.A. were as follows:

	for the period of 9 months ended on 30 September		for the period of 9 months ended on 30 September	
	2018	2017	2018	2017
(‘000)	PLN	PLN	EUR	EUR
Profit and loss account (for the period)				
Sales revenue	4,381,821	3,894,637	1,030,168	914,964
Gross profit (loss) on sales	1,042,648	898,591	245,127	211,105
Costs of license	(17,893)	(61,160)	(4,207)	(14,368)
Net financial revenues / costs	153,135	100,205	36,002	23,541
Operating profit (loss)	49,523	42,591	11,643	10,006
Net profit (loss)	198,678	137,778	46,709	32,368
Other financial data				
Operating cash flows	(303,253)	(268,775)	(71,295)	(63,143)
Investing cash flows	151,500	91,209	35,618	21,428
Financing cash flows	149,233	180,783	35,085	42,471
Basic profit per share	14.02	9.72	3.30	2.28
Sales margin	23.8%	23.1%		
EBITDA margin	1.6%	1.6%		
Balance sheet (as at)				
Cash and cash equivalents	28,933	31,454	6,774	7,541
Balance sheet total	3,673,510	2,999,502	860,025	719,150
Loans, borrowings and finance lease	1,396,537	1,202,120	326,951	288,216
Equity	1,393,020	1,204,401	326,127	288,763

The sales revenues in 9 months of 2018 were **12.51% higher** than in the same period of 2017. In the period starting from 01 October 2017, the Company has opened 11 new branches.

The sales margin for 3 quarters of 2018 was 23.8% (compared to 23.1% in 3 quarters of 2017).

Distribution service costs – the share of the branch managing entity in the margin. 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.

Financial revenues and costs include primarily costs and revenues due to interest on loans and bonds and the dividends received from subsidiary companies. In the third quarter of 2018 the Company bore cost related to interest in the amount of PLN 8,706 thousand, and in the period of 9 months of 2018 the cost of interest amounted to PLN 26,504 thousand. The dividend received from subsidiary Companies in 2017 amounted to PLN 183,285 thousand.

Liabilities resulting from credits, loans, debt securities and finance lease as at 30 September 2018 amounted to PLN 1,396,537 thousand, including borrowings from related companies: PLN 143,660 thousand.

2. Factors and events of a non-recurring nature having a material bearing on the financial result, and a description of the Company's material achievements and failures along with a list of related key events

The major events affecting the current and future business activity of the Inter Cars Group:

- The consolidated EBITDA for 12 months cumulatively for the period ended on 30 September 2018 was PLN 386,841 thousand (measured as a profit on operating activity plus depreciation).
- The net debt /EBITDA ratio was 3.29 compared to 3.09 as at 30 September 2017.

3. Material evaluations and estimates

The preparation of the condensed consolidated interim financial statements in conformity with the EU IFRS requires the Company's Management Board to use evaluations and estimates that affect the application of accounting principles and reported amounts of assets and liabilities, income and expenses. The judgements and estimates are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimate is revised.

Information on particularly significant areas that are subject to evaluations and estimates and that affect the interim financial statements did not change from the information presented in the annual financial statements as at 31 December 2017.

4. Seasonality

Sales revenues display a slight degree of seasonality, with Q3 usually constituting approx. 25% of the annual sales revenues.

5. Information on business segments

The core business of the Inter Cars S.A. Capital Group is the sale of spare parts. In addition, the companies Feber, Lauber, IC Development and ILS Sp. z o.o. are active in other business segments, such as the manufacture of semi-trailers, remanufacturing of spare parts, real estate development and logistics; whilst Q-Service Truck Sp. Z o.o. is an authorized dealer of ISUZU commercial vehicles. The above-mentioned business segments may not be recognized as separate business segments individually, hence they are shown in the "Other segments" column.

The Inter Cars Capital Group applies uniform accounting principles to all segments. Transactions between particular segments are carried out at arm's length.

Information on business segments

for the period of 9 months ended
on 30 September 2017

	Sale of spare parts	Other segments	Eliminations	Total
External sales	5,751,737	70,585	-	5,822,322
Inter-segment sales	5,433	359,446	(364,879)	-
Profit before tax	350,732	31,057	(165,304)	216,485

for the period of 9 months ended
on 30 September 2017

	Sale of spare parts	Other segments	Eliminations	Total
External sales	4,927,353	74,907	-	5,002,260
Inter-segment sales	12,507	307,366	(319,873)	-
Profit before tax	189,667	(3,747)	16,416	202,336

Assets by operating segments	Status as at 30/09/2018	Status as at 31/12/2017
Sale of spare parts segment	6,162,792	5,069,086
Other segments	498,048	473,739
Eliminations	(2,520,077)	(2,139,847)
	4,140,763	3,402,978

6. Dividend

On 18 April 2018 the Board of Directors adopted a resolution on recommending distribution of the dividend of profit worked out for the year 2017 in the amount of PLN 10,059 thousand, i.e. PLN 0.71 per share.

The dividend was paid out on 13 July 2018.

On 14 July 2017, a dividend from the 2016 profit was paid in the amount of PLN 10,059 thousand, i.e. PLN 0.71 per share.

7. Liabilities due to borrowings and other debt instruments

The syndicated credit facility agreement

The terms and conditions of the syndicated credit facility agreement signed on 14/11/2017 have been described in the annual consolidated financial statement of the Group.

Bank credits concluded directly by subsidiary companies:

In the reporting period subsidiary companies did not conclude any new credit agreements.

Inter Cars Česká republika s.r.o. concluded with Raiffeisenbank a.s. a credit line agreement for the amount of CZK 170 m, repayable by 31 December 2018.

Inter Cars Romania s.r.l. has a credit line facility with RON 90m limit in Bank ING Bank N.V

Loans and borrowings as at 30/09/2018

Current loans and borrowings	Contractual amount (limit)	Used	Maturity date
Syndicated credit	775,000	644,314	14-11-2018
- <i>Inter Cars S.A.</i>		595,070	
- <i>Inter Cars Česká republika s.r.o.</i>		13,883	
- <i>Inter Cars Slovenská republika s.r.o.</i>		20,983	
- <i>Lauber Sp. z o.o.</i>		14,377	
Raiffeisen a.s. (Inter Cars Česká republika s.r.o)	30,042	24,960	31-12-2018
ING Bank N.V (Inter Cars Romania s.r.l.)	84,249	64,998	27-12-2018
	889,291	734,273	
Non-current loans and borrowings at nominal value	Contractual amount (limit)	Used	Maturity date
Syndicated credit	500,000	500,000	14-11-2020
	500,000	500,000	

Loans and borrowings as at 31/12/2017

Current loans and borrowings at nominal value	Contractual amount (limit)	Used	Maturity date
Syndicated credit	775,000	457,037	14-11-2018
Inter Cars S.A.		404,805	
Inter Cars Ceska Republika s.r.o.		16,684	
Inter Cars Slovenska Republika s.r.o.		20,685	
Lauber Sp. z.o.o.		14,863	
Raiffeisen a.s. (Inter Cars Česká republika s.r.o)	29,131	24,465	31-12-2018
ING Bank N.V. (Inter Cars Romania s.r.l.)	80,577	74,818	27-12-2018
	884,708	556,320	
Non-current loans and borrowings at nominal value	Contractual amount (limit)	Used	Maturity date
Syndicated credit	500,000	500,000	14-11-2020
	500,000	500,000	

Issuance of bonds

The terms and conditions of the issuance are described in the annual consolidated financial statements of the Group.

In the third quarter of 2018 the value of the bonds issued did not change. Interest on the A-series bonds are paid twice a year, in April and in October.

Below chart presents Bonds issued and planned buyback dates:

Tranche number	Date of issuance	Maturity date	Amount of buyback
Series A	24/10/2014	24/10/2019	150,000
			150,000

8. Contingent liabilities and sureties

In the reporting period, Inter Cars S.A. and its subsidiaries did not grant any sureties for credits, loans or other guarantees worth at least 10% of equity capital.

Contingent liabilities, granted security and unrecognized liabilities did not change materially from those described in the financial statements as at 31 December 2017.

Sureties issued by Inter Cars S.A. as at 30 September 2018 are presented in the chart below:

As at 30 September 2018, the total value of guaranties amounted to PLN 34,385 thousand and comprised guaranties for suppliers and customers.

9. The Management Board's standpoint on the feasibility of meeting the previously published forecasts of financial results for 2018

The Capital Group Inter Cars S.A. did not publish any forecasts of financial results.

10. The list of shareholders holding at least 5% of the total number of the votes as at the date of release of these statements

Shareholder	Number of shares	Total nominal value (PLN)	Percentage of share in the share capital held (%)	Percentage of total vote held (%)
OK Automotive Investments B.V.*	3,726,721	7,453,442	26.30%	26.30%
AVIVA Otwarty Fundusz Emerytalny	1,896,778	3,793,556	13.39%	13.39%
Nationale-Nederlanden OFE	1,416,799	2,833,598	9.99%	9.99%
Andrzej Oliszewski	1,277,370	2,554,740	9.02%	9.02%
Immersion Capital LLP**	748,776	1,497,552	5.29%	5.29%
Total	9,066,444	18,132,888	63.99%	63.99%

*OK Automotive Investments B.V. is a company which is dependent from Krzysztof Oleksowicz - Member of the Management Board of the Company

**Immersion Capital LLP – operates on behalf and for Immersion Capital Master Fund managed by it.

Until the date of release of these financial statements, the Company had not received any other shareholding notifications.

11. Changes in the number of shares and rights to shares (options) in Inter Cars S.A. held by the Company's management and supervisory personnel since the publication of the most recent quarterly report.

The Company's supervisory and managing personnel hold a total of 5,005,591 shares, constituting 35.33% 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				
Krzysztof Oleksowicz*	3,726,721	7,453,442	26.30%	26.30%
Tomaš Kaštil	1,500	3,000	0.01%	0.01%
	3,728,221	7,456,442		
Supervisory Board				
Andrzej Oliszewski	1,277,370	2,554,740	9.02%	9.02%
	1,277,370	2,554,740		
Total	5,005,591	10,011,182	35.33%	35.33%

* Directly by OK Automotive Investments B.V.

There have been no changes in shareholding structure of the issuer since the date of publication of the previous report, i.e. 04 September 2018:

Shareholder	Number of shares as at		Increases	Decreases	Number of shares as at	
	04/09/2018	13/11/2018			04/09/2018	13/11/2018
Krzysztof Oleksowicz*	3,726,721	3,726,721	-	-	3,726,721	3,726,721
Andrzej Oliszewski	1,277,370	1,277,370	-	-	1,277,370	1,277,370
Tomaš Kaštil	1,500	1,500	-	-	1,500	1,500
Total	5,005,591	5,005,591	-	-	5,005,591	5,005,591

12. Information on court, arbitration and administrative proceedings

No proceedings were brought during the reporting period 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.

13. Transactions with related entities

<i>(in thousand PLN)</i>	1.01.2018- 30.09.2018	1.01.2017- 30.09.2017
<i>Remuneration of the members of the Supervisory Board and the Management Board</i>		
Remuneration of the members of the Supervisory Board	424	235
Remuneration of the members of the Management Board	10,905	5,167
	11,329	5,403
<i>Transactions with related entities</i>		
Income on sales to related entities	1,807	1,507
Purchase of goods and services from related entities	13,412	15,299
	30/09/2018	31/12/2017
<i>Settlements with related entities</i>		
Receivables from related entities	1,305	853
Liabilities to related entities	396	100

80% of the goods and services purchased from related entities relates to the standard distribution service settled based on the same principles as those applicable to all branches. Placement in this category results from the family ties between a branch director and one of the members of the management Board of Inter Cars S.A.

14. Other information which the Company deems relevant for the assessment of its personnel, assets, financial position and financial result or changes in any of the foregoing, and for the assessment of the Company's ability to perform its obligations

This information is included in the section entitled "Factors and events of a non-recurring nature having a material bearing on the financial result, and a description of the Company's material achievements and failures along with a list of related key events."

15. Events subsequent to the balance sheet day as at which the report was prepared which may have a material bearing on the Company's future financial results

On 29 October 2018 an annex was signed to the term loan and revolving credit agreement of 14 November 2016. On the basis of the annex the maturity date for revolving credit has been extended to 14 November 2019, while for term loans to 14 November 2021.

Pursuant to the provisions of the Annex, the maximum amount of revolving loans granted pursuant to the Loan Agreement was increased by PLN 63,000,000.00 and currently amounts to PLN 838,000,000.00.

The maximum total amount of term loans granted pursuant to the Loan Agreement has increased by PLN 37,000,000 and amounts to PLN 537,000,000.00

The rate of interest of the credits is variable and shall depend, for each interest rate period, on WIBOR interest reference rate, plus agreed on the basis of the New Credit Facility Agreement (at arm's length) margins of the creditors.

16. 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 were concluded at arm's length.

17. Factors which in the Company's opinion will affect its financial results in the period covering at least the next quarter.

Factors which in the Management Board's opinion will affect the Company's financial results in Q4 2018 include:

- ✓ *trends in the foreign exchange rates, mainly EUR, USD and YEN against PLN, UAH, HUF, CZK, HRK, BGN and RON;*
- ✓ *trends in the demand from export customers, related mainly to political and legal situation in Ukraine;*
- ✓ *changes in interest rates, which will determine the amount of interest on contracted loans and thus affect the financial expenses;*
- ✓ *planned improvement in the stock turnover, which should reduce the financial costs by lowering the requirement for inventory financing;*
- ✓ *optimization of logistics processes related to cost reductions;*
- ✓ *enhanced awareness of the "Inter Cars" brand and obtaining new customers, which will contribute to the development of operating activities;*

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS OF INTER CARS S.A. FOR THE PERIOD FROM 01 JANUARY 2018 TO 30 SEPTEMBER 2018

Separate statement of financial position

<i>(in thousand PLN)</i>	30/09/2018	31/12/2017	30/09/2017
	<i>not audited</i>	<i>audited</i>	<i>not audited</i>
ASSETS			
Non-current assets			
Property, plant and equipment	149,578	145,968	145,590
Intangible assets	176,084	167,116	161,155
Investment property	1,991	1,991	1,991
Investments in subordinated entities	418,193	416,106	416,106
Investments available for sale	258	258	258
Receivables	22,315	19,566	20,992
	768,419	751,005	746,092
Current assets			
Inventories	1,525,058	1,149,732	1,381,116
Trade and other receivables	1,351,100	1,064,555	1,083,231
Income tax receivables	-	2,756	7,868
Cash and cash equivalents	28,933	31,454	29,346
	2,905,091	2,248,497	2,501,561
TOTAL ASSETS	3,673,510	2,999,502	3,247,653
LIABILITIES			
Equity			
Share capital	28,336	28,336	28,336
Share premium account	259,530	259,530	259,530
Supplementary capital	900,217	809,218	809,218
Other reserve capitals	5,935	5,935	5,935
Retained earnings	199,002	101,382	138,102
	1,393,020	1,204,401	1,241,121
Long-term liabilities			
Loan, borrowing and finance lease liabilities	652,128	652,325	652,680
Deferred income tax provisions	(245)	6,518	13,804
	651,883	658,843	666,484
Short-term liabilities			
Trade and other liabilities	863,016	577,268	701,380
Interest-bearing loans and borrowings, debt securities and leasing	744,409	549,795	629,487
Liabilities of the reverse factoring	-	-	-
Employee benefits	10,884	9,195	9,181
Income tax liabilities	10,298	-	-
	1,628,607	1,136,258	1,340,048
TOTAL LIABILITIES	3,673,510	2,999,502	3,247,653

Separate statement of comprehensive income

(in thousand PLN)

	for the period of 3 months ended on 30 September		for the period of 9 months ended on 30 September	
	2018	2017	2018	2017
Continued activity				
Revenues from the sale of products, goods and materials	1,533,574	1,357,585	4,381,821	3,889,106
Cost of sales	(1,165,414)	(1,035,736)	(3,339,173)	(2,990,515)
Gross profit on sales	368,160	321,849	1,042,648	898,591
Other operating revenues	5,570	6,872	11,300	16,053
Selling cost, general and administrative expenses	(170,650)	(161,105)	(518,365)	(439,743)
Costs of distribution service	(124,975)	(114,842)	(371,770)	(328,057)
Costs of license	-	(20,969)	(17,893)	(61,160)
Other operating costs	(34,794)	(10,848)	(96,397)	(43,093)
Operating profit	43,311	20,957	49,523	42,591
Financial income	863	816	1,812	2,093
Dividends received	30,604	(59)	183,285	128,327
Exchange differences	5,504	(2,637)	(1,641)	1,268
Financial costs	(10,077)	(10,471)	(30,321)	(31,483)
Profit before tax	70,205	8,606	202,658	142,796
Income tax	(2,187)	(1,427)	(3,980)	(5,018)
Net profit	68,018	7,179	198,678	137,778
OTHER COMPREHENSIVE INCOME				
Total other comprehensive income, net	-	-	-	-
COMPREHENSIVE INCOME	68,018	7,179	198,678	137,778
Net profit	68,018	7,179	198,678	137,778
Weighted-average number of ordinary shares	14,168,100	14,168,100	14,168,100	14,168,100
Earnings per ordinary share (in PLN)	4.80	0.51	14.02	9.72
Weighted-average diluted number of ordinary shares	14,168,100	14,168,100	14,168,100	14,168,100
Diluted earnings per ordinary share (in PLN)	4.80	0.51	14.02	9.72

Separate statement of changes in equity

for the period from 01 January 2018 to 30 September 2018

(in thousand PLN)

	Share capital	Share premium account	Supplementary capital	Other reserve capitals	Retained earnings	Total equity
As at 01 January 2018	28,336	259,530	809,218	5,935	101,382	1,204,401
Statement of comprehensive income						
Profit in the reporting period	-	-	-	-	198,678	198,678
Total comprehensive income	-	-	-	-		
Transactions with shareholders						
Distribution of prior period profit – dividend	-	-	-	-	(10,059)	(10,059)
Distribution of retained profits - carried over to supplementary capital	-	-	90,999	-	(90,999)	-
As at 30 September 2018	28,336	259,530	900,217	5,935	199,002	1,393,020

for the period from 01 January 2017 to 31 December 2017

(in thousand PLN)

	Share capital	Share premium account	Supplementary capital	Other reserve capitals	Retained earnings	Total equity
As at 01 January 2017	28,336	259,530	709,886	5,935	109,715	1,113,402
Statement of comprehensive income						
Profit in the reporting period	-	-	-	-	101,058	101,058
Total comprehensive income	-	-	-	-	101,058	101,058
Transactions with shareholders						
Distribution of prior period profit – dividend	-	-	-	-	(10,059)	(10,059)
Distribution of retained profits - carried over to supplementary capital	-	-	99,332	-	(99,332)	-
As at 31 December 2017	28,336	259,530	809,218	5,935	101,382	1,204,401

for the period from 01 January 2017 to 30 September 2017

<i>(in thousand PLN)</i>	Share capital	Share premium account	Supplementary capital	Other reserve capitals	Retained earnings	Total
As at 01 January 2017	28,336	259,530	709,886	5,935	109,715	1,113,402
Statement of comprehensive income						
Net profit in the reporting period	-	-	-	-	137,778	137,778
Transactions with shareholders						
Distribution of prior period profit - allocation to reserve capitals	-	-	99,332	-	(99,332)	-
Distribution of prior period profit – dividend	-	-	-	-	(10,059)	(10,059)
As at 30 September 2017 (not audited)	28,336	259,530	809,218	5,935	138,102	1,241,121

Separate statement of cash flows

(in thousand PLN)

	<u>1.01.2018- 30.09.2018</u>	<u>1.01.2017- 30.09.2017</u>
Cash flows from operating activities		
Profit (loss) before tax	202,658	142,796
Adjustments:		
Depreciation and amortization	20,769	17,984
Foreign exchange gains /losses	7,011	(352)
(Profit) /loss on the sale of property, plant and equipment	258	1,726
Net interest and share in profits	23,643	24,795
Net dividends	(183,285)	(128,327)
Other adjustments, net	(270)	(34)
Operating profit before changes in the working capital	<u>70,784</u>	<u>58,588</u>
Increase (decrease) in inventories	(375,324)	(391,828)
Change in receivables	(285,108)	(174,694)
Change in short-term liabilities	284,083	244,201
Cash generated by operating activities	<u>(305,565)</u>	<u>(263,733)</u>
Corporate income tax paid	2,311	(5,042)
Net cash from operating activities	<u>(303,253)</u>	<u>(268,775)</u>
Cash flow from investing activities		
Proceeds from the sale of plant, property, equipment and intangible assets	1,007	665
Purchase of property, plant, equipment and intangible assets	(28,562)	(29,592)
Purchase of financial assets in related and other entities	(2,088)	(12007)
Repayment of loans granted	729	3,731
Loans granted	(4,077)	(600)
Interest received	1,206	685
Dividends received	183,285	128,327
Net cash from investing activities	<u>151,500</u>	<u>91,209</u>
Cash flow from financing activities		
(repayments) / proceeds from loans and lease	193,570	315,566
Interest paid	(22,969)	(21,063)
Financial lease contracts liabilities	(3,314)	(2,630)
Payment of the factoring	-	(101,000)
Dividend paid	(10,059)	(10,059)
Deposits received (returned)	-	(30)
Net cash from financing activities	<u>149,233</u>	<u>180,783</u>
Net change in cash and cash equivalents	<u>(2,521)</u>	<u>3,217</u>
Cash and cash equivalents at the beginning of the period	<u>31,454</u>	<u>26,129</u>
Cash and cash equivalents at the end of the period	<u>28,933</u>	<u>29,346</u>

1. Accounting principles

The accounting principles applied by Inter Cars are the same as those applied by the Group, with the exception of interest in subsidiaries, valued at the historical costs minus revaluation write-downs.

2. Investments in subordinated entities

Investments in subordinated entities as at 31/12/2017	416,106
Increase in share capital in Inter Cars d o.o. (Bosnia and Herzegovina)	2,088
Investments in subordinated entities as at 30/09/2018	418,194

3. Transactions with related entities in the condensed standalone financial statements

	Sales revenue		Purchase of goods and services	
	1.01.2018- 30.09.2018	1.01.2017- 30.09.2017	1.01.2018- 30.09.2018	1.01.2017- 30.09.2017
Inter Cars Ukraine LLC	68,196	51,705	-	-
Q-Service Sp. z o.o.	2,900	5,002	210,270	118,232
Lauber Sp. z o.o.	5,515	5,743	34,276	33,538
Inter Cars Ceska Republika	105,360	106,444	3,965	2,160
Inter Cars Slovenska Republika	118,873	86,482	1,874	1,126
Feber Sp. z o.o.	755	923	5,880	5,330
Inter Cars Lietuva UAB	141,087	49,696	16,572	10,426
IC Development & Finance Sp. z o.o.	16	-	756	783
Inter Cars Italia srl.	499	18,925	174	93
Inter Cars d.o.o.	78,689	74,355	2,211	1,392
JC Auto S.A.	64	-	0	-
Inter Cars Hungária Kft	88,453	103,185	3,483	72,585
Inter Cars Romania s.r.l.	193,502	215,916	4,002	3,491
Armatus sp. z o.o.	3	4	1,744	5,084
Cleverlog Autoteile BmbH	48,774	26,350	52	-
Inter Cars Latvija SIA	79,544	104,994	1,914	1,961
Inter Cars Bulgaria Ltd.	26,603	15,441	765	275
Inter Cars Marketing Services Sp. z o.o.	140	183	39,248	74,467
ILS Sp. z o.o.	4,512	5,729	285,146	256,073
Q-Service Truck Sp. z o.o.	409	281	14,876	10,826
Inter Cars Malta Limited	-	2	240,602	198,082
Inter Cars d o.o. (Slovenia)	3,503	5,696	224	102
Inter Cars Eesti OU	15,559	6,123	357	116
ILS Latvijas filialie	32	53	-	-
Inter Cars Piese Auto s.r.l.	30	-	1	-
Inter Cars Greece Ltd.	31	-	-	-
	983,047	883,232	868,393	796,142

Transactions with related entities in the condensed standalone financial statements (continued)

<i>Settlement</i>	Receivables as at		Liabilities as at	
	30/09/2018	31/12/2017	30/09/2018	31/12/2017
Inter Cars Ukraine LLC	54,126	40,064	-	-
Lauber Sp. z o.o.	15,661	13,253	9,056	4,319
Inter Cars Ceska Republika	38,505	31,100	7	747
Inter Cars Slovenska Republika	44,595	30,259	-	237
Feber Sp. z o.o.	54	3	9,013	7,871
Inter Cars Lietuva UAB	52,075	27,783	191	855
Inter Cars Italia s.r.l.	20,414	24,693	13	1,438
Inter Cars d.o.o. (Croatia)	121,439	97,882	14	971
JC Auto S.A.	290	220	-	-
Inter Cars Hungária Kft.	71,129	47,426	235	3,166
JC Auto s.r.o.	4,129	4,032	-	-
Inter Cars Romania s.r.l.	290,070	240,526	81	2,910
Inter Cars Latvija SIA	64,400	66,686	57	536
Inter Cars Cyprus Ltd.	-	-	4	4
Cleverlog-Autoteile GmbH	4,649	1,808	-	597
Inter Cars Bulgária EOOD	10,149	5,995	32	1,036
Inter Cars Marketing Services Sp. z o.o.	180	465	125,178	104,697
ILS Sp. z o.o.	2,753	12,126	64,215	44,723
Inter Cars Malta Holding Limited	1,043	1,043	(19)	(19)
Inter Cars Malta Limited	16,937	17,076	77,222	43,851
Q-service Truck Sp. z o.o.	21	47	4,018	1,098
Inter Cars INT d .o.o. (Slovenia)	1,511	1,462	-	293
Inter Cars Eesti OU	3,728	2,603	106	894
Q-Service Sp. z o.o.	94	17	44,333	27,158
ILS Latvijas filiāle	12	12	-	-
IC Development & Finance Sp. z o.o.	48	32	1,681	1,324
Armatus sp. z o.o.	-	583	(287)	-
Inter Cars Piese Auto s.r.l.	(84)	-	-	-
Inter Cars Greece Ltd.	(3,294)	-	-	-
Intermeko Europe Sp. z o.o.	11	-	29	41
Gross receivables / liabilities from subsidiaries	814,645	667,194	335,180	248,747
Revaluation write-down on receivables (JC Auto s.r.o.)	(4,009)	(4,009)	-	-
Reserves for returns	(43,697)	(43,697)	-	-
Net receivables / liabilities from subsidiaries	766,939	619,488	335,180	248,747

Dividends payable

<i>Receivables from subsidiaries</i>	30/09/2018
Lauber Sp. z o.o.	1,246
Inter Cars Marketing Services Sp. z o.o.	55,520
Q-SERVICE TRUCK Sp z o.o.	1,043
Q-Service Sp. z o.o.	14,091
Gross receivables on dividend	71,900

Settlements on loans and borrowings

<i>Receivables from subsidiaries</i>	30/09/2018	31/12/2017
Lauber Sp. z o.o.	8,856	8,804
IC Development & Finance Sp. z o.o.	24,010	23,761
JAG Sp. z o.o.	201	201
Inter Cars Bulgaria Ltd.	961	938
Q-SERVICE TRUCK Sp z o.o.	501	502
Inter Cars Malta Ltd	12,874	12,875
Inter Cars Greece	1,299	629
Net receivables on loans	48,703	47,709

<i>Liabilities to subsidiaries</i>	30/09/2018	31/12/2017
Inter Cars Marketing Services Sp. z o.o.	61,200	61,330
Inter Cars Cyprus Ltd.	82,460	79,278
	143,660	140,608

Sureties issued by Inter Cars S.A. as at 30 September 2018 towards related companies:

Sureties and guarantees granted by Inter Cars S.A. as at 30 September 2018 amounted in total to: PLN 235,597 thousand.

In the reporting period, the Company did not grant any credit or loan sureties nor guarantees of a material value to any entity or a subsidiary of such entity.