

**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 2019*



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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> | | | |
|--|---|-------------------|-------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | in thousand PLN | in thousand PLN | EUR '000 | EUR '000 |
| Information on growth and profits | | | | |
| Sales revenues | 6,490 826 | 5,822,322 | 1,506 481 | 1,368,831 |
| Sales margin | 29.9% | 29.7% | | |
| EBITDA | 381,266 | 304,963 | 88,490 | 71,697 |
| EBITDA as percentage of sales | 5.9% | 5.2% | | |
| EBITDA (for 12 consecutive months) | 468,865 | 386,841 | 108,676 | 90,947 |
| Net debt / EBITDA | 2.62 | 3.29 | | |
| Basic earnings per share (PLN) | 12.79 | 12.73 | 2.97 | 2.99 |
| Diluted earnings per share (PLN) | 12.79 | 12.73 | 2.97 | 2.99 |
| Operating profit | 263,215 | 249,241 | 61,091 | 58,597 |
| Net profit | 181,260 | 180,389 | 42,069 | 42,410 |
| Cash flows | | | | |
| Operating cash flows | 335,597 | (82,812) | 77,890 | (19,469) |
| Investing cash flows | (41,159) | (73,078) | (9,553) | (17,181) |
| Financing cash flows | (259,937) | 124,412 | (60,330) | 29,249 |
| Employment and branches | | | | |
| Employees | | | | |
| Parent company | 639 | 551 | | |
| Subsidiaries | 2,672 | 2,818 | | |
| Branches | | | | |
| Parent company | 248 | 249 | | |
| Subsidiaries | 303 | 299 | | |
| total | 551 | 548 | | |
| Consolidated statement of the financial situation | | | | |
| | As at | | As at | |
| | 30/09/2019 | 31/12/2018 | 30/09/2019 | 31/12/2018 |
| | in thousand PLN | in thousand PLN | EUR '000 | EUR '000 |
| Cash and cash equivalents | 149,225 | 114,725 | 34,119 | 26,680 |
| Balance sheet total | 4,668, 749 | 3,943,261 | 1,071,600 | 917,037 |
| Loans, borrowings and finance lease | 1,195,536 | 1,303 914 | 273,353 | 303,236 |
| Equity attributable to the shareholders of the parent entity | 2,008,150 | 1,829 173 | 459, 153 | 425,389 |

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 2019 – 1 EUR = PLN 4.3736, and the National Bank of Poland exchange rate of 31 December 2018 – 1 EUR = PLN 4.3000
- 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 2019 and 2018: 1 EUR = PLN 4.3086 and 1 EUR = PLN 4.2535.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE INTER CARS GROUP

Interim Consolidated statement of the financial situation

| <i>(in thousand PLN)</i> | 30/09/2019 <i>(not audited)</i> | 31/12/2018 | 30/09/2018 <i>(not audited)</i> |
|---|---|-------------------|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 484,670 | 461,400 | 487,919 |
| Right-of-use assets | 176,897 | - | - |
| Investment property | 11,049 | 17,779 | 21,530 |
| Real estate available for sale | - | 29,271 | - |
| Intangible assets | 216,494 | 199,415 | 189,089 |
| Investments in associates | 986 | 987 | 924 |
| Investments available for sale | 298 | 301 | 301 |
| Receivables | 22,207 | 22,346 | 23,582 |
| Receivables on long-term rental | 96,556 | - | - |
| Deferred tax assets | 18,896 | 21,053 | 16,256 |
| | 1,028 053 | 752,552 | 739,601 |
| Current assets | | | |
| Inventory | 2,400,180 | 2,200,789 | 2,365,546 |
| Trade and other receivables | 1,062,506 | 870,763 | 901,757 |
| Receivables on short-term rental | 42,280 | - | - |
| Income tax receivables | 4,505 | 4,432 | 2,919 |
| Cash and cash equivalents | 149,225 | 114,725 | 129,437 |
| | 3,658,696 | 3,190,709 | 3,399,659 |
| TOTAL ASSETS | 4,686,749 | 3,943,261 | 4,139,260 |
| LIABILITIES | | | |
| Share capital | 28,336 | 28,336 | 28,336 |
| Share premium account | 259,530 | 259,530 | 259,530 |
| Supplementary capital | 1,204,362 | 983,765 | 967,357 |
| Other capital reserves | 22,204 | 19,030 | 19,030 |
| Foreign exchange gains /losses in subsidiaries | (18,542) | (26,318) | (26,862) |
| Retained earnings | 512,260 | 564,830 | 538,542 |
| Total equity | 2,008,150 | 1,829,173 | 1,785,933 |
| Long-term liabilities | | | |
| Loan, borrowing and finance lease liabilities | 553,548 | 531,819 | 657,564 |
| Liabilities on long-term rental | 255,801 | - | - |
| Other long-term liabilities | 9,569 | 6,206 | 4,806 |
| Deferred income tax provision | 5,293 | 25,037 | 10,167 |
| | 824,211 | 563,062 | 672,537 |
| Short-term liabilities | | | |
| Trade and other liabilities | 996,579 | 702,161 | 873,217 |
| Trade and other liabilities– passed for factoring | 47,893 | - | - |
| Loan, borrowing and finance lease liabilities | 641,988 | 772,095 | 744,079 |
| Liabilities on the short-term rental | 64,940 | - | - |
| Employee benefits | 32,351 | 31,251 | 22,729 |
| Income tax liabilities | 70,637 | 45,519 | 40,765 |
| | 1,854,388 | 1,551,026 | 1,680,790 |
| TOTAL LIABILITIES | 4,686 749 | 3,943,261 | 4,139,260 |

Interim consolidated statement of comprehensive income

| (in thousand PLN) | for the period of 3 months ended on | | for the period of 9 months ended on | |
|---|--|----------------|--|------------------|
| | 30/09/2019 | 30/09/2018 | 30/09/2019 | 30/09/2018 |
| Continued activity | | | | |
| Revenues from the sale of products, goods and materials | 2,241,225 | 2,035,656 | 6,490,826 | 5,822,322 |
| Cost of sales | (1,566,173) | (1,448,769) | (4,548,976) | (4,091,466) |
| Gross profit on sales | 675,052 | 586,887 | 1,941,850 | 1,730,856 |
| Other operating revenues | 13,877 | 28,762 | 28,199 | 37,119 |
| Selling cost, general and administrative expenses | (343,015) | (289,979) | (985,484) | (856,563) |
| Costs of distribution service | (234,105) | (215,209) | (684,477) | (624,577) |
| Other operating costs | (16,369) | (29,355) | (36,873) | (37,594) |
| Operating profit | 95,440 | 81,106 | 263,215 | 249,241 |
| Financial income | 498 | 693 | 1,643 | 1,266 |
| Exchange differences | (3,261) | 5,504 | (1,909) | (1,641) |
| Financial costs | (14,387) | (11,248) | (45,284) | (32,381) |
| Profit before tax | 78,290 | 76,055 | 217,665 | 216,485 |
| Income tax | (12,490) | (12,214) | (36,405) | (36,096) |
| Net profit | 65,800 | 63,841 | 181,260 | 180,389 |
| OTHER COMPREHENSIVE INCOME | | | | |
| Foreign exchange gains /losses | 13,035 | (7,738) | 7,776 | (425) |
| Total other comprehensive income, net | 13,035 | (7,738) | 7,776 | (425) |
| COMPREHENSIVE INCOME | 78,835 | 56,103 | 189,036 | 179,964 |
| Net profit attributable to: | | | | |
| - the shareholders of the parent entity | 65,800 | 63,841 | 181,260 | 180,389 |
| - minority interests | - | - | - | - |
| | 65,800 | 63,841 | 181,260 | 180,389 |
| Comprehensive income attributable to: | | | | |
| - the shareholders of the parent entity | 78,835 | 56,103 | 189,036 | 179,964 |
| - minority interests | - | - | - | - |
| | 78,835 | 56,103 | 189,036 | 179,964 |
| Net profit | 65,800 | 63,841 | 181,260 | 180,389 |
| Weighted-average number of ordinary shares | 14,168,100 | 14,168,100 | 14,168,100 | 14,168,100 |
| Earnings per ordinary share (in PLN) | 4.64 | 4.51 | 12.79 | 12.73 |
| 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) | 4.64 | 4.51 | 12.79 | 12.73 |

Interim consolidated statement of changes in equity

for the period from 01 January 2019 to 30 September 2019 (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 |
|--|---------------|-----------------------|-----------------------|--------------------------------|------------------------|-------------------|--|
| As at 01 January 2019 | 28,336 | 259,530 | 983,765 | (26,318) | 19,030 | 564,830 | 1,829 173 |
| Profit in the reporting period | - | - | - | - | - | 181,260 | 181,260 |
| Other comprehensive income | | | | | | | |
| Foreign exchange gains /losses | - | - | - | 7,776 | - | - | 7,776 |
| Total comprehensive income | - | - | - | 7,776 | - | 181,260 | 189,036 |
| Transactions with shareholders | | | | | | | |
| Distribution of prior period profit – dividend | - | - | - | - | - | (10,059) | (10,059) |
| Distribution of prior period profit - allocation to reserve capitals | - | - | 220,597 | - | 3,174 | (223,771) | - |
| As at 30 September 2019 (not audited) | 28,336 | 259,530 | 1,204,362 | (18,542) | 22,204 | 512,260 | 2,008 150 |

for the period from 01 January 2018 to 31 December 2018

| <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 2018 | 28,336 | 259,530 | 832,483 | (26,437) | 19,030 | 503,086 | 1,616,028 |
| Profit in the reporting period | - | - | - | - | - | 223,085 | 223,085 |
| Other comprehensive income | | | | | | | |
| Foreign exchange gains /losses in subsidiaries | - | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | - | - | 223,085 | 223,085 |
| Transactions with shareholders | | | | | | | |
| Distribution of prior period profit – dividend | - | - | - | - | - | (10,059) | (10,059) |
| Distribution of retained profits - transfer to supplementary and reserve capital | - | - | 151,282 | - | - | (151,282) | - |
| Foreign exchange gains /losses | - | - | - | 119 | - | - | 119 |
| As at 31 December 2018 | 28,336 | 259,530 | 983,765 | (26,437) | 19,030 | 564,830 | 1,829 173 |

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 reserve capitals | 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 |

Interim consolidated statement of cash flows

| <i>(in thousand PLN)</i> | 01/01/2019 30/09/2019 | 01/01/2018 30/09/2018 |
|---|----------------------------------|----------------------------------|
| Cash flows from operating activities | | |
| Profit before tax | 217,665 | 216,485 |
| Adjustments: | | |
| Amortization and depreciation | 118,051 | 55,722 |
| Foreign exchange gains /losses | 433 | 4,531 |
| (Profit) /loss on the sale of property, plant and equipment | (5,559) | 4,758 |
| Net interest | 42,946 | 30,263 |
| Other adjustments, net | (6,323) | (7,355) |
| Operating profit before changes in the working capital | 367,213 | 304,404 |
| Increase (decrease) in inventories | (199,391) | (594,370) |
| Change in receivables | (192,626) | (163,411) |
| Change in short-term liabilities | 315,882 | 394,188 |
| Change in short-term liabilities passed for factoring | 73,065 | - |
| Cash generated by operating activities | 364,143 | (58,989) |
| Corporate income tax paid | (28,546) | (23,823) |
| Net cash from operating activities | 335,597 | (82,812) |
| Cash flow from investing activities | | |
| Proceeds from the sale of intangible assets, investment property, property, plant and equipment | 44,815 | 811 |
| Acquisition of intangible assets, investment property, and property, plant and equipment | (87,294) | (71,860) |
| Repayment of loans granted | 1,229 | 1,051 |
| Cost of acquisition of shares in other entities | - | - |
| Loans granted | (180) | (3,754) |
| Interest received | 271 | 674 |
| Net cash from investing activities | (41,159) | (73,078) |
| Cash flow from financing activities | | |
| (Repayments) / proceeds from credits | (128,932) | 170,188 |
| Financial lease contracts liabilities | (53,652) | (6,004) |
| Interest paid | (42,122) | (29,713) |
| Dividend paid | (10,059) | (10,059) |
| Payment of the reverse factoring | (25,172) | - |
| Net cash from financing activities | (259,937) | 124,412 |
| Net change in cash and cash equivalents | 34,500 | (31,478) |
| Cash and cash equivalents at the beginning of the period | 114,725 | 160,915 |
| Cash and cash equivalents at the end of the period | 149,225 | 129,437 |

Explanatory notes to the interim condensed financial statements for the period of 3 months ended on 30 September 2019

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)
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:

KRS 0000008734
NIP 1181452946
Regon 014992887
tel. (+48-22) 714 19 16
fax. (+48-22) 714 19 18
bzarzadu@intercars.eu
relacje.inwestorskie@intercars.eu
www.intercars.com.pl

Supervisory Board

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

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

Statutory auditor

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.
Ul. Polna 11,
00-633 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 2019 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 2018 are available at www.intercars.eu.

As at 30 September 2019, the following entities comprised the Inter Cars Capital Group: Inter Cars S.A. as the parent entity, and 34 other entities, including:

- 31 subsidiaries of Inter Cars S.A.
- 3 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 | |
|---------------------------------------|-----------------------------|--|----------------------|---|----------------|
| | | | | 30/09/2019 | 30/09/2018 |
| 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% |
| 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.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% |

| Name of entity | Registered seat | Scope of activities | Consolidation method | % of the Group's share in the share capital | |
|--|-----------------------------------|--|----------------------|---|------------|
| | | | | 30/09/2019 | 30/09/2018 |
| Inter Cars Italia s.r.l. | Pero, 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. | Cząstków Mazowiecki, Poland | Advertising, market and public opinion research | full | 100% | 100% |
| ILS Sp. z o.o. | Swobodnia, Zakroczym, 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 Trgovina z rezervnimi deli in opremo za motorna vozila d.o.o./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 | Ilioupoli Attiki, 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% |
| Inter Cars United Kingdom - automotive technology Ltd * | London, Great Britain | Distribution of spare parts for passenger cars and commercial vehicles | full | 100% | 100% |
| Inter Cars Deutschland GmbH***** | Berlin Germany | Distribution of spare parts for passenger cars and commercial vehicles | Not applicable | 100% | - |
| Inter Cars d.o.o. Beograd-Rakovica** | Belgrade-Rakovica, Serbia | Distribution of spare parts for passenger cars and commercial vehicles | Not applicable | 100% | - |
| Inter Cars Fleet Services Sp. z o.o.** | Warsaw Poland | Services for motor-vehicle fleets related to vehicle repairs | Not applicable | 100% | - |
| Indirect subsidiaries | | | | | |
| 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% |

| Name of entity | Registered seat | Scope of activities | Consolidation method | % of the Group's share in the share capital | |
|------------------------------------|--------------------------------|---|----------------------|---|------------|
| | | | | 30/09/2019 | 30/09/2018 |
| JC Auto s.r.o. in liquidation***** | Karvina-Darkow, Czech Republic | The Company does not carry out operating activities | 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 operational activity in 2Q2019.

**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)

***** The company in organization

***** 100% shares held by subsidiary company Inter Cars Česká republika s.r.o.

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 2019.

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 2018. 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 2018, except for implementation of new or modified accounting standards which are in force for annual statements starting on or after 01 January 2019.

Interim condensed consolidated financial statement of Inter Cars S.A. Capital Group prepared for the period of 3 months ended on 30 September 2019 with explanatory notes to interim condensed financial statements and quarterly financial information of Inter Cars S.A. 3Q 2019 was approved by the Board of Managers for publication on 15 November 2019.

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 2018.

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

Starting from 1 January 2019 the new standard IFRS 16 – Leases is applicable. It was approved by the European Union Commission regulation no 2017/1986 on 31 October 2017.

The new standard introduces a single model of recognising a lease in a lessee's books, in line with financial lease recognition as a part of IAS 17. In conformity with IFRS 16, an arrangement is a lease or contains a lease if it conveys the right to control identified assets for a specified period against a consideration.

The difference between IAS 17 and IFRS 16 is the requirement to control a concrete asset indicated in an arrangement directly or implicitly. An assignment of a right to use an asset takes place when an identified asset with respect to which the lessee is entitled to practically all economic benefits and controls the use of such assets over a given period.

The expenses related to the use of assets subject to a lease previously recognised mostly as costs of outsourced services are currently recognised as depreciation costs and interest costs.

The group has adopted IFRS16 lease and decided to apply the modified retrospective approach, therefore the benchmarking data for 2018 has not been transformed. Upon application of IFRS 16, for the first time the lease liabilities have been measured at the current value of the other lease fees discounted using the lessee's marginal interest rate as at the date of first application.

Upon first application of IFRS 16, the rights-of- use an asset were measured in an amount equal to a lease liability, adjusted by any prepayment or lease fee amounts related to such lease, included in the statement of the financial situation directly preceding the date of said first application.

The Group is a lessor with respect to contracts of lease of branch premises entered into with branches. These contracts have been concluded for a period similar to that of the contracts where the Group is a lessee. According to the provisions of the contracts, the control over the real properties is assigned to the branches, while the contracts are long-term and based on permanent cooperation between the Group and the branches. Based on that, the value of the real properties subject to a long-term lease under the said contracts was recognised in the Group's balance sheet as long- and short-term receivables measured as a discounted total of future lease payments. The short- and long-term lease receivables decrease the value of the right-of-use assets, as the lease periods in which the Group is the lessee and the periods in which it is the lessor are similar or the same. The group has applied all practical simplifications permitted by IFRS 16 for lease contracts previously classified as operating leases, i.e. Short-term leases and low-value leases.

A short-term lease is understood to mean contracts without the possibility to purchase an asset, concluded for a period not exceeding 12 months. In particular, contracts concluded for an unspecified period of time with a short notice period (up to 12 months) and without significant penalties for one of the parties are treated by the Group a short-term lease.

The level of materiality defined by the Group to identify low-value leases is PLN 18,799 per a new asset (irrespective of an asset subject to a lease), which is an equivalent to USD 5,000 according to the exchange rate as at the first application date i.e. 1 January 2019.

The date of beginning of the contract is the date at which the Group receives the subject of the contract for use.

The impact of application of IFRS 16 on particular items of the Group's financial statements as at 30 September 2019 is as follows:

| | Inter Cars Group | Inter Cars S.A. |
|----------------------------------|-------------------------|------------------------|
| Right- of-use assets | 176,897 | 19,012 |
| Receivables on long-term rental | 96,556 | 43,184 |
| Receivables on short-term rental | 42,280 | 18,163 |
| Liabilities on long-term rental | 255,801 | 56,779 |
| Liabilities on short-term rental | 64,940 | 24,138 |
| Result | (5,008) | (1,167) |

Since 1 January 2019 the lease contracts entered into after this date have been presented as the right-of-use and the corresponding lease liabilities in conformity with the new IFRS 16.

The costs resulting from short-lease contracts and from leases not exceeding USD 5,000 are recognized in the income statement and the other comprehensive income in the period in which they are incurred, similarly to any other lease or service fees.

From 1 January to 30 September 2019, as a result of application of IFRS 16, the total cost of amortization and depreciation of assets resulting from the right of use presented in the first three quarters of 2019 amounted to PLN 55,198 thousand for the Inter Cars Group and PLN 18,838 thousand for Inter Cars S. A.

The interest costs resulting from recognition of lease liabilities have increased, which in the period from January to September 2019 amounted to PLN 11,663 thousand for the Inter Cars Group and PLN 2,619 thousand for Inter Cars S.A.

In reported period of 2019, increases related to the right-to-use assets in the Inter Cars Group amounted to PLN 45,049 thousand, including PLN 11,548 thousand in Inter Cars S.A.

Whereas the total outflow of the right-to-use funds in the Inter Cars Group amounted to PLN 61,853 thousand, including PLN 20,290 thousand in Inter Cars S.A.

The Group has lease contracts for office and warehouse spaces, cars and a few machines and forklifts.

The impact of application of IFRS 16 on the selected items of financial consolidated statements is shown in the following tables:

(in thousand PLN)

| | <u>30/09/2019</u> <u>with IFRS 16</u> | <u>impact of IFRS</u> <u>16</u> | <u>30/09/2019</u> <u>without IFRS 16</u> |
|--|--|------------------------------------|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 484,670 | | 484,670 |
| Right-of-use assets | 176,897 | (176,897) | - |
| Investment property | 11,049 | | 11,049 |
| Intangible assets | 216,494 | | 216,494 |
| Investments in associates | 986 | | 986 |
| Investments available for sale | 298 | | 298 |
| Receivables | 22,207 | | 22,207 |
| Receivables on long-term rental | 96,556 | (96,556) | - |
| Deferred tax assets | 18,896 | | 18,896 |
| | <u>1,028 053</u> | <u>(273,453)</u> | <u>754,600</u> |
| Current assets | | | |
| Inventory | 2,400,180 | | 2,400,180 |
| Trade and other receivables | 1,062,506 | | 1,062,506 |
| Receivables on short-term rental | 42,280 | (42,280) | - |
| Income tax receivables | 4,505 | | 4,505 |
| Cash and cash equivalents | 149,225 | | 149,225 |
| | <u>3,658,696</u> | <u>(42,280)</u> | <u>3,616,416</u> |
| TOTAL ASSETS | <u>4,686 749</u> | <u>(315,733)</u> | <u>4,371 016</u> |
| LIABILITIES | | | |
| Share capital | 28,336 | | 28,336 |
| Share premium account | 259,530 | | 259,530 |
| Supplementary capital | 1,204,362 | | 1,204,362 |
| Other capital reserves | 22,204 | | 22,204 |
| Foreign exchange gains /losses in subsidiaries | (18,542) | | (18,542) |
| Retained earnings | 512,327 | 5,008 | 517,335 |
| Equity | <u>2,008,150</u> | <u>5,008</u> | <u>2,013,158</u> |

Long-term liabilities

| | | | |
|---|----------------|------------------|----------------|
| Loan, borrowing and finance lease liabilities | 553,548 | | 553,548 |
| Liabilities on long-term rental | 255,801 | (255,801) | - |
| Other long-term liabilities | 9,569 | | 9,569 |
| Deferred income tax provision | 5,293 | | 5,293 |
| | 824,211 | (255,801) | 568,410 |

Short-term liabilities

| | | | |
|--|------------------|------------------|------------------|
| Trade and other liabilities | 996,579 | | 996,579 |
| Trade and other liabilities - passed for factoring | 47,893 | | 47,893 |
| Loan, borrowing and finance lease liabilities | 641,988 | | 641,988 |
| Liabilities on short-term rental | 64,940 | (64,940) | - |
| Employee benefits | 32,351 | | 32,351 |
| Income tax liabilities | 70,637 | | 70,637 |
| | 1,854,388 | (64,940) | 1,789 448 |
| TOTAL LIABILITIES | 4,686 749 | (315,733) | 4,371 016 |

(in thousand PLN)

| | with IFRS 16 | impact of IFRS 16 | without IFRS 16 |
|---|---------------------|--------------------------|------------------------|
| Continued activity | | | |
| Revenues from the sale of products, goods and materials | 6,490,826 | | 6,490,826 |
| Cost of sales | (4,548,976) | (20,290) | (4,569,266) |
| Gross profit on sales | 1,941,850 | (20,290) | 1,921,560 |
| Other operating revenues | 28,199 | | 28,199 |
| Selling cost, general and administrative expenses | (985,484) | 13,636 | (971,848) |
| Costs of distribution service | (684,477) | | (684,477) |
| Other operating costs | (36,873) | | (36,873) |
| Operating profit | 263,215 | (6,655) | 256,560 |
| Financial income | 1,643 | | 1,643 |
| Exchange differences | (1,909) | | (1,909) |
| Financial costs | (45,284) | 11,663 | (33,621) |
| Profit before tax | 217,665 | 5,008 | 222,673 |
| Income tax | (36,405) | | (36,405) |
| Net profit | 181,260 | 5,008 | 186,268 |

| | 1Q2019 | | | 2Q2019 | | | 3Q2019 | | |
|---|---------------------|--------------------------|------------------------|---------------------|--------------------------|------------------------|---------------------|--------------------------|------------------------|
| | <u>with IFRS 16</u> | <u>impact of IFRS 16</u> | <u>without IFRS 16</u> | <u>with IFRS 16</u> | <u>impact of IFRS 16</u> | <u>without IFRS 16</u> | <u>with IFRS 16</u> | <u>impact of IFRS 16</u> | <u>without IFRS 16</u> |
| <i>(in thousand PLN)</i> | | | | | | | | | |
| Continued activity | | | | | | | | | |
| Revenues from the sale of products, goods and materials | 1,998,064 | | 1,998,064 | 2,243,226 | - | 2,243,226 | 2,249,536 | - | 2,249,536 |
| Cost of sales | (1,414,210) | (6,212) | (1,420,422) | (1,568,593) | (6,696) | (1,575,289) | (1,566,173) | (7,382) | (1,573,555) |
| Gross profit on sales | 583,854 | (6,212) | 577,642 | 674,633 | (6,696) | 667,937 | 683,363 | (7,382) | 675,981 |
| Other operating revenues | 16,655 | | 16,655 | 5,978 | - | 5,978 | 5,566 | - | 5,566 |
| Selling cost, general and administrative expenses | (301,441) | 4,598 | (296,843) | (341,028) | 4,176 | (336,852) | (343,015) | 4,862 | (338,153) |
| Costs of distribution service | (215,087) | | (215,087) | (235,285) | - | (235,285) | (234,105) | - | (234,105) |
| Other operating costs | (8,123) | | (8,123) | (12,381) | - | (12,381) | (16,369) | - | (16,369) |
| Operating profit | 75,858 | (1,615) | 74,243 | 91,917 | (2,519) | 89,398 | 95,440 | (2,521) | 92,919 |
| Financial income | 652 | | 652 | 493 | - | 493 | 498 | - | 498 |
| Exchange differences | 196 | | 196 | 1,156 | - | 1,156 | (3,261) | - | (3,261) |
| Financial costs | (15,281) | 4,044 | (11,237) | (15,616) | 4,211 | (11,405) | (14,387) | 3,408 | (10,979) |
| Profit before tax | 61,425 | 2,429 | 63,854 | 77,950 | 1,692 | 79,642 | 78,290 | 887 | 79,177 |
| Income tax | (10,946) | | (10,946) | (12,969) | - | (12,969) | (12,490) | - | (12,490) |
| Net profit | 50,479 | 2,429 | 52,908 | 64,981 | 1,692 | 66,673 | 65,800 | 887 | 66,687 |

VI. Foreign exchange rates applied to calculate the figures for Q3 2019.

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

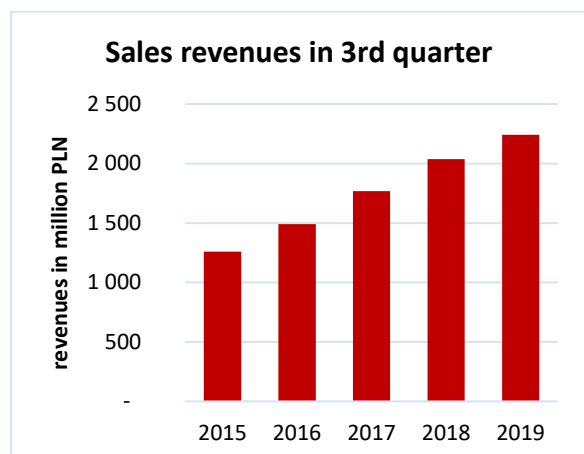
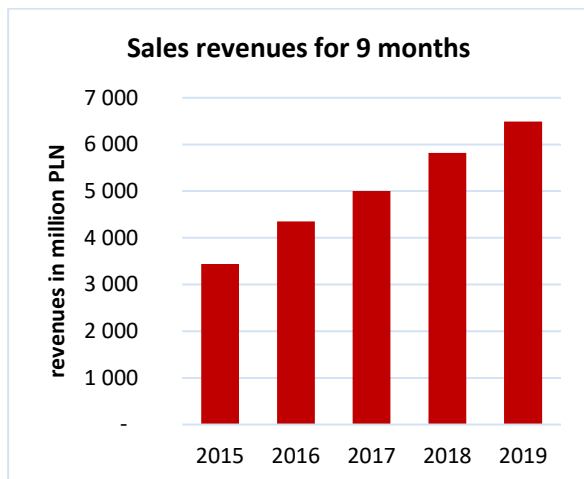
| | Average exchange rate during the reporting period | | Exchange rate at the end of the reporting period | |
|---------|---|------------------|--|------------|
| | 9 months of 2019 | 9 months of 2018 | 30/09/2019 | 31/12/2018 |
| EUR/PLN | 4.3086 | 4.2535 | 4.3736 | 4.3000 |

The following principles have been used to convert data presented in thousand EUROS 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 ;
- foreign currency gains/losses resulting from the above-mentioned translation are recognized in equity as foreign exchange gains/losses from translation of foreign subsidiaries.

OTHER INFORMATION ON THE ACTIVITIES OF THE INTER CARS CAPITAL GROUP

1. Summary of activities and consolidated and separate financial results for three quarters 2019



Summary of financial results of the Inter Cars Group

- In 3Q 2019, the Group recorded an **10,1% increase of consolidated sales revenues** compared to the same period of 2018. **The growth in consolidated sales revenues** for the period of 9 months 2019 reached 11.5%.

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 16.7%** compared to the analogous period a year before.

Export sales from Poland went up by 8.4%, whilst export sales from foreign branches went up by 17.4 % in the period of 9 months of 2019, compared to the same period of 2018.

- Inter Cars' domestic revenue accounted for app. 52 % of the Group's total revenue (including consolidation exemptions), compared to 54 % in the same period a year before. The Polish market remains the basic sales market for the Capital Group.
- In the period of 9 months of 2019, the Group opened 4 new branches abroad.
- Consolidated margin on the sale of goods amounted to 29.9% in the first 3 quarters of 2019. In the reporting period the influence of exchange rates on margin was the following: 0.1 p.p in the first 3 quarters of 2019 and 0.1 p.p. in the same period of 2018. After elimination of exchange rate differences, the margin would amount to 29.8% for three quarters of 2019 and 29.6% for 3 quarters 2018.
- The costs of sales and administration in 9 months of 2019 went up by 0.5% to 15.2% compared to the same period of it 2018, when it was on the level of 14.7%. The cost increase results from the one-off events described in item 2 of the report on the Company's activities. No new one-off events were identified in Q3, and the cost of one-off events from H1 remained unchanged.
- The consolidated profit on operating activity for the period of 9 months of 2019 amounted to PLN 263,215 thousand and was higher by PLN 13,974 thousand in comparison to the same period a year before.
- The consolidated net profit for the period of 9 months of 2019 amounted to PLN 181,260 thousand and is higher by PLN 1 million from the profit in the same period of 2018. However, one should stress the impact of adjustments resulting from the introduction of IFRS 16 with respect to the recognition of leases as income statement items in 2019. Following elimination of the impact of IFRS 16, the profit for the first 9 months of 2019 amounts to PLN 186,268m and is 3.3% bigger than the profit for the first nine months of 2018. Furthermore, following elimination of the one-off events described in item 2 of the

following report, the profit for 9 months of 2019 would have amounted to PLN 196.3 m and would have been 8.8% higher than the profit for the same period of 2018.

- As at 30 September 2019, the net debt /EBITDA ratio amounted to 2.57, compared with 3.29 in the same period of 2018. The decrease resulted from:
 - a reduction in inventory turnover from 149 to 143 days,
 - an increase in the amount of trade receivables handed over to factoring (as at 30.09.2019 they amounted to PLN 47.9), causing a 1-day increase in the liabilities turnover ratio,
 - an extension of the payment deadline for selected suppliers.
- The effective tax rate for the Group for 9 months cumulatively was 16.7%.

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 2019 – 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 (97%), Moldova (85%), Ukraine (47%) and Cleverlog (41%). It should be noted that among companies with the biggest impact on the Group's revenues are Romania (7%), Bulgaria (27%), Slovakia (21%) and Latvia (17%).

Revenues increased in all geographical markets.

The Company has been consistently expanding

The underlying financial data of the Inter Cars S.A. Group in the Q3 2019 were as follows:

| | for the period of 9 months ended on 30 September | | for the period of 9 months ended on 30 September | |
|--|---|-------------------|---|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| (<i>'000</i>) | <i>PLN</i> | <i>PLN</i> | <i>EUR</i> | <i>EUR</i> |
| Profit and loss account (for the period) | | | | |
| Sales revenues | 6,490,826 | 5,822,322 | 1,506,481 | 1,368,831 |
| Gross profit (loss) on sales | 1,941,850 | 1,730,856 | 450,692 | 406,925 |
| Net financial revenues / costs | (45,550) | (32,756) | (10,572) | (7,701) |
| Operating profit (loss) | 263, 215 | 249,241 | 61,091 | 58,597 |
| Net profit (loss) | 181, 260 | 180,389 | 42,069 | 42,410 |
| Other financial data | | | | |
| Operating cash flows | 335,597 | (82,812) | 77,890 | (19,469) |
| Investing cash flows | (41,159) | (73,078) | (9,553) | (17,181) |
| Financing cash flows | (259,937) | 124,412 | (60,330) | 29,249 |
| Basic profit per share | 12.79 | 12.73 | 2.97 | 2.99 |
| Sales margin | 29.9% | 29.7% | | |
| EBITDA margin | 5.9% | 5.2% | | |
| Balance sheet (as at) | | | | |
| | 30/09/2019 | 31/12/2018 | 30/09/2019 | 31/12/2018 |
| Cash and cash equivalents | 149,225 | 114,725 | 34,119 | 26,680 |
| Balance sheet total | 4,686 749 | 3,943,261 | 1,071 600 | 917,037 |
| Loans, borrowings and finance lease | 1,195,536 | 1,303,914 | 273,353 | 303,236 |
| Equity attributable to the shareholders of the parent entity | 2,008,150 | 1,829,173 | 459,153 | 425,389 |

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 | |
|---|---|------------|---|------------|
| | 2019 | 2018 | 2019 | 2018 |
| (<i>'000</i>) | <i>PLN</i> | <i>PLN</i> | <i>EUR</i> | <i>EUR</i> |
| Profit and loss account (for the period) | | | | |
| Sales revenues | 4,718 868 | 4,381,821 | 1,095,221 | 1,030,168 |
| Gross profit (loss) on sales | 1,182 437 | 1,042,648 | 274,436 | 245,127 |
| Costs of license | (3,908) | (17,893) | (907) | (4,207) |
| Net financial revenues / costs | 54,749 | 153,135 | 12,707 | 36,002 |
| Operating profit (loss) | 112,007 | 49,523 | 25,996 | 11,643 |
| Net profit (loss) | 147,816 | 198,678 | 34,307 | 46,709 |

| | for the period of 9 months ended on 30 September | | for the period of 9 months ended on 30 September | |
|-------------------------------------|---|-------------------|---|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | PLN | PLN | EUR | EUR |
| (’000) | | | | |
| Other financial data | | | | |
| Operating cash flows | 119,998 | (303,253) | 27,851 | (71,295) |
| Investing cash flows | 109,033 | 151,500 | 25,306 | 35,618 |
| Financing cash flows | (230,173) | 149,233 | (53,422) | 35,085 |
| Basic profit per share | 10.43 | 14.02 | 2.42 | 3.30 |
| Sales margin | 25.1% | 23.8% | | |
| EBITDA margin | 3.30% | 1.6% | | |
| Balance sheet (as at) | 30/09/2019 | 31/12/2018 | 30/09/2019 | 31/12/2018 |
| Cash and cash equivalents | 23,141 | 24,283 | 5,291 | 5,647 |
| Balance sheet total | 3,841,848 | 3,443,148 | 878,418 | 800,732 |
| Loans, borrowings and finance lease | 1,181,169 | 1,324,902 | 270,068 | 308,117 |
| Equity | 1,560 727 | 1,422,970 | 356,852 | 330,923 |

The sales revenues in 9 months of 2019 were **7.69% higher** than in the same period of 2018.

The sales margin for 3 quarters of 2019 was 25.1% (compared to 23.8% in 3 quarters of 2018).

Distribution costs – the share of the entity managing the branch in the margin earned. The sales margin generated by a branch is divided between the branch and Inter Cars in the 50/50 ratio. The branch system is based on the assumption of entrusting management of a distribution point (branch) to external entities. Sales are made on behalf of Inter Cars.

License fees - fees for using trademarks held by Inter Cars Marketing Services S.A. for the purposes of the current activity of the distribution companies.

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 2019 the Company bore cost related to interest in the amount of PLN 9,780 thousand, and in the period of 9 months of 2019 the cost of interest amounted to PLN 30,214 thousand. The dividend received from subsidiary Companies in 2019 amounted to PLN 81,289 thousand.

Liabilities resulting from credits, loans, debt securities and finance lease as at 30 September 2019 amounted to PLN 1,181,169 thousand, including borrowings from related companies: PLN 97,410 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 ending on 30 September 2019 amounted to PLN 468,242 thousand (cumulatively as a profit on operating activity plus depreciation) and after elimination of influence of IFRS 16 EBITDA was PLN 407,012 thousand and was PLN 20,162 thousand higher compared to 2018.
- Net debt / EBITDA ratio amounted to 2.62 and after elimination of the impact of IFRS 16 standard it would be 2.57 vs 3.29 as at 30 September 2018.
- The highest revenue in history was recorded by the Romanian company and resulted from the development of spare parts distribution centres, the so-called central warehouses. A significant

increase in sales was recorded also in Ukraine, Bulgaria, Bosnia, Moldova and in the Cleverlog company offering online sales in Germany.

- The management board of the Inter Cars Group decided to restructure the Italian company Inter Cars Italia s.r.l., which has not been profitable. Following a profitability analysis of particular areas of its activity a decision was made to change its business model by closing all 6 branches and continuing direct sales to shops and warehouses offering spare parts. This way the company should arrive at the desired operating margin. The future restructuring costs, including severance pays for employees required by the applicable law, the costs of termination of contracts of lease of office and warehouse spaces, as well as other administrative costs will be paid from a reserve of PLN 8,600 k recorded in the first half of 2019.
- At the beginning of 2019, the sprinkler system in the newly opened warehouse in Nupaky in the Czech Republic went off unexpectedly causing a flooding of part of the products inside the warehouse and the conveyor picking and transferring products. The losses are being evaluated, along with the value to be recovered from the insurance policy. To cover the future costs of damages resulting from the said event, the management board decided to create a reserve of PLN 1,460 k. The future costs will be covered entirely from the said reserve.

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 2018.

4. Seasonality

The demand for spare parts is seasonal. The peak season falls in the second and third quarters. The demand is lower at the beginning and the end of the year. This is directly linked to the seasonal nature of some repairs for which the spare parts are required, and to the smaller number of repairs made by clients during winter.

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 Sp. z o.o., Lauber Sp. z o.o., IC Development & Finance Sp. z o.o., Inter Cars Marketing Services Sp. z o.o. and ILS Sp. z o.o. are active in other business segments, such as: the manufacturing of semi-trailers, remanufacturing of spare parts, real estate development, marketing and logistics, whilst Q-service Truck Sp. z o.o. is an authorized dealer of Isuzu commercial vehicles and an importer of Ford Trucks 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 Group applies uniform accounting policies to all its business segments and they are also the same as the ones used for preparing this financial statements.

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 2019

| | Sale of spare parts | Other segments | Eliminations | Total |
|--------------------------|---------------------|----------------|-----------------|----------------|
| External sales | 6,385,734 | 105,092 | - | 6,490 826 |
| Inter-segment sales | 5,724 | 340,086 | (345,360) | - |
| Profit before tax | 286,814 | 14,371 | (83,520) | 217,665 |

for the period of 9 months ended
on 30 September 2018

| | 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 |

| Assets by operating segments | Status as at 30/09/2019 | Status as at 31/12/2018 |
|------------------------------|----------------------------|----------------------------|
| Sale of spare parts segment | 6,530 870 | 5,847,058 |
| Other segments | 513,494 | 496,064 |
| Eliminations | (2,357,615) | (2,399,861) |
| | 4,686 749 | 3,943,261 |

6. Dividend

On 23 April 2019, the Management Board adopted a resolution to approve the Board's proposal regarding the distribution of the profit for the financial year of 2018 and the payment of a dividend of PLN 10,059,351.00 from the net profit i.e. PLN 0.71 per one stock. On 29 May 2019, the Company's Supervisory Board adopted a resolution to approve the Management Board's proposal and recommended that the Company's General Shareholders Meeting adopt a resolution to distribute the profit and pay a dividend of PLN 10,059,351.00, i.e. PLN 0.71 per one stock. On 17 June 2019, the Ordinary General Shareholders Meeting adopted a resolution to distribute the profit for 2018 and pay a dividend of PLN 10,059,351.00 per one stock.

The dividend was paid out on 12 July 2019.

On 13 July 2018, a dividend from the 2017 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 November 2016, with further amendments, have been described in the annual consolidated financial statement of the Group.

Bank credits concluded directly by subsidiary companies:

In January 2019, daughter company Inter Cars INT d.o.o. concluded a credit agreement with Nova Kreditna Banka Maribor d.d. For the amount of EUR 2 million, with maturity date 18 November 2019.

Inter Cars Česká republika s.r.o. concluded with Raiffeisenbank a.s. a credit line agreement for the amount of CZK 153.5m, repayable by 31 May 2020.

Inter Cars Romania s.r.l. has a credit line facility with RON 70 million in Bank ING Bank N.V

Loans and borrowings as at 30/09/2019

| Current loans and borrowings | Contractual amount (limit) | Used | Maturity date |
|---|----------------------------|----------------|-------------------|
| Syndicated credit | 775,000 | 407,563 | 12-11-2020 |
| - Inter Cars S.A. | | 371,673 | |
| - Inter Cars Slovenská republika s.r.o. | | 20,928 | |
| - Lauber Sp. z o.o. | | 14,962 | |
| Raiffeisen a.s. (Inter Cars Česká republika s.r.o) | 25,988 | 25,395 | 31-05-2020 |
| ING Bank N.V (Inter Cars Romania s.r.l.) | 64,449 | 39,457 | 27-12-2019 |
| Nova Kreditna Banka Maribor d.d. (Inter Cars INT D o.o.) | 8,747 | 2,187 | 18-11-2019 |
| | 874,184 | 474,602 | |

Non-current loans and borrowings at nominal value

| Non-current loans and borrowings at nominal value | Contractual amount (limit) | Used | Maturity date |
|---|----------------------------|----------------|---------------|
| Syndicated credit | 537,000 | 537,000 | 14-11-2021 |
| | 537,000 | 537,000 | |

Loans and borrowings as at 31/12/2018

Current loans and borrowings at nominal value

| Current loans and borrowings at nominal value | Contractual amount (limit) | Used | Maturity date |
|--|----------------------------|----------------|-------------------|
| Syndicated credit | 838,000 | 560,420 | 14-11-2019 |
| Inter Cars S.A. | | 525,538 | |
| Inter Cars Slovenska Republika s.r.o. | | 20,121 | |
| Lauber Sp. z.o.o. | | 14,761 | |
| ING Bank N.V. (Inter Cars Romania s.r.l.) | 64,603 | 54,503 | 27-12-2019 |
| | 902,603 | 614,923 | |

Non-current loans and borrowings at nominal value

| Non-current loans and borrowings at nominal value | Contractual amount (limit) | Used | Maturity date |
|---|----------------------------|----------------|-------------------|
| Syndicated credit | 537,000 | 500,000 | 14-11-2021 |
| Raiffeisen a.s. (Inter Cars Česká republika s.r.o) | 29,863 | 25,095 | 20-02-2020 |
| | 566,863 | 525,095 | |

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 2019 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 |

The A series bonds were redeemed after the balance sheet day, on 24 October 2019, which was announced in the current report no. 26/2019.

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 2018.

As at 30 September 2019, the total value of guaranties amounted to PLN 25,744 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 2019

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 Limited 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 2019:

| Shareholder | Number of shares | Increases | Decreases | Number of shares |
|-----------------------|------------------|-----------|-----------|------------------|
| | as at | | | as at |
| | 04/09/2019 | | | 15/11/2019 |
| Krzysztof Oleksowicz* | 3,726,721 | - | - | 3,726,721 |
| Andrzej Oliszewski | 1,277,370 | - | - | 1,277,370 |
| Tomaš Kaštil | 1,500 | - | - | 1,500 |
| Total | 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> | 1.01.2019- 30.09.2019 | 1.01.2018- 30.09.2018 |
|--|--------------------------|--------------------------|
| <i>Remuneration of the members of the Supervisory Board and the Management Board</i> | | |
| Remuneration of the members of the Supervisory Board | 413 | 424 |
| Remuneration of the members of the Management Board | 9,353 | 10,905 |
| | 9,766 | 11,329 |
| | | |
| | 1.01.2019- 30.09.2019 | 1.01.2018- 30.09.2018 |
| <i>Transactions with related entities</i> | | |
| Income on sales to related entities | 1,945 | 1,807 |
| Purchase of goods and services from related entities | 5,978 | 13,412 |
| | | |
| | 30/09/2019 | 31/12/2018 |
| <i>Settlements with related entities</i> | | |
| Receivables from related entities | 1,529 | 1,103 |
| Liabilities to related entities | 402 | 410 |

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 30 October 2019 an annex was signed to the term loan and revolving credit agreement of 14 November 2016. As a result, the date of repayment of revolving credit was set to be 12 November 2020.

Pursuant to the provisions of the Annex, the maximum amount of revolving loans granted pursuant to the Loan Agreement was increased by PLN 40.687.500,00 and currently amounts to PLN 878.687.500,00.

The maximum total amount of term loans granted pursuant to the Loan Agreement has increased by PLN 28,500,000 and amounts to PLN 565,500,000.00

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 2019 include:

- ✓ *trends in the foreign exchange rates, mainly EUR, USD and YEN against PLN, UAH, HUF, CZK, HRK, RON, BGN, BAM, MDL and GBP;*
- ✓ *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;*
- ✓ *enhanced awareness of the "Inter Cars" brand and obtaining new customers, which will contribute to the development of operating activities;*
- ✓ *optimization and synergy of logistics process in the newly open logistic centre in Zakorczym.*
- ✓ *change of business model and restructuring in Italian subsidiary Inter Cars Italia s.r.*

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS OF INTER CARS S.A. FOR THE PERIOD FROM 01 January 2019 TO 30 September 2019
Separate statement of financial position

| <i>(in thousand PLN)</i> | 30/09/2019 <i>not audited</i> | 31/12/2018 <i>audited</i> | 30/09/2018 <i>not audited</i> |
|--|---|-------------------------------------|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 119,388 | 123,725 | 149,578 |
| Right-of-use assets | 19,012 | - | - |
| Intangible assets | 205,194 | 185,533 | 176,084 |
| Investment property | - | - | 1,991 |
| Real estate available for sale | - | 29,271 | - |
| Investments in subordinated entities | 418,324 | 418,193 | 418,193 |
| Investments available for sale | 258 | 258 | 258 |
| Receivables | 15,865 | 22,737 | 22,315 |
| Receivables on long-term rental | 43,184 | - | - |
| Deferred tax assets | (1,760) | - | - |
| | 819,465 | 780,957 | 768,419 |
| Current assets | | | |
| Inventory | 1,491,079 | 1,351,565 | 1,525,058 |
| Trade and other receivables | 1,490,000 | 1,286,343 | 1,351,100 |
| Receivables on short-term rental | 18,163 | - | - |
| Cash and cash equivalents | 23,141 | 24,283 | 28,933 |
| | 3,022,383 | 2,662,191 | 2,905,091 |
| TOTAL ASSETS | 3,841,848 | 3,443,148 | 3,673,510 |
| LIABILITIES | | | |
| Equity | | | |
| Share capital | 28,336 | 28,336 | 28,336 |
| Share premium account | 259,530 | 259,530 | 259,530 |
| Supplementary capital | 1,118,787 | 900,217 | 900,217 |
| Other reserve capitals | 5,935 | 5,935 | 5,935 |
| Retained earnings | 148,139 | 228,952 | 199,002 |
| | 1,560,727 | 1,422,970 | 1,393,020 |
| Long-term liabilities | | | |
| Loan, borrowing and finance lease liabilities | 549,484 | 501,426 | 652,128 |
| Liabilities on long-term rental | 56,779 | - | - |
| Deferred income tax provision | - | 20,013 | (245) |
| | 606,263 | 521,439 | 651,883 |
| Short-term liabilities | | | |
| Trade and other liabilities | 967,137 | 659,126 | 863,016 |
| Interest-bearing loans and borrowings, debt securities and leasing | 631,685 | 823,476 | 744,409 |
| Liabilities on short-term rental | 24,138 | - | - |
| Employee benefits | 15,094 | 14,453 | 10,884 |
| Income tax liabilities | 36,804 | 1,684 | 10,298 |
| | 1,674,858 | 1,498,739 | 1,628,607 |
| TOTAL LIABILITIES | 3,841,848 | 3,443,148 | 3,673,510 |

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 | |
|---|---|-------------------|---|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Continued activity | | | | |
| Revenues from the sale of products, goods and materials | 1,607,298 | 1,533,574 | 4,718,868 | 4,381,821 |
| Cost of sales | (1,204,498) | (1,165,414) | (3,536,431) | (3,339,173) |
| Gross profit on sales | 402,800 | 368,160 | 1,182,437 | 1,042,648 |
| Other operating revenues | 819 | 5,570 | 15,532 | 11,300 |
| Selling cost, general and administrative expenses | (211,571) | (170,650) | (603,294) | (518,365) |
| Costs of distribution service | (127,838) | (124,975) | (387,762) | (371,770) |
| Costs of license | - | - | (3,908) | (17,893) |
| Other operating costs | (28,393) | (34,794) | (90,998) | (96,397) |
| Operating profit | 35,817 | 43,311 | 112,007 | 49,523 |
| Financial income | 753 | 863 | 2,320 | 1,812 |
| Dividends received | 38,762 | 30,604 | 88,791 | 183,285 |
| Exchange differences | (3,261) | 5,504 | (1,909) | (1,641) |
| Financial costs | (11,377) | (10,077) | (34,453) | (30,321) |
| Profit before tax | 60,694 | 70,205 | 166,756 | 202,658 |
| Income tax | (6,949) | (2,187) | (18,940) | (3,980) |
| Net profit | 53,745 | 68,018 | 147,816 | 198,678 |
| OTHER COMPREHENSIVE INCOME | | | | |
| Total other comprehensive income, net | - | - | - | - |
| COMPREHENSIVE INCOME | 53,745 | 68,018 | 147,816 | 198,678 |
| Net profit | 53,745 | 68,018 | 147,816 | 198,678 |
| Weighted-average number of ordinary shares | 14,168,100 | 14,168,100 | 14,168,100 | 14,168,100 |
| Earnings per ordinary share (in PLN) | 3.79 | 4.80 | 10.43 | 14.02 |
| 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) | 3.79 | 4.80 | 10.43 | 14.02 |

Separate statement of changes in equity

for the period from 01 January 2019 to 30 September 2019

(in thousand PLN)

| | Share capital | Share premium account | Supplementary capital | Other reserve capitals | Retained earnings | Total equity |
|--|---------------|-----------------------|-----------------------|------------------------|-------------------|------------------|
| As at 01 January 2019 | 28,336 | 259,530 | 900,217 | 5,935 | 228,952 | 1,422,970 |
| Statement of comprehensive income | | | | | | |
| Profit in the reporting period | - | - | - | - | 147,816 | 147,816 |
| Total comprehensive income | - | - | - | - | 147,816 | 147,816 |
| Distribution of prior period profit – dividend | - | - | - | - | (10,059) | (10,059) |
| Distribution of retained profits - carried over to supplementary capital | - | - | 218,570 | - | (218,570) | - |
| As at 30 September 2019 | 28,336 | 259,530 | 1,118 787 | 5,935 | 148,139 | 1,560 727 |

for the period from 01 January 2018 to 31 December 2018

(in thousand PLN)

| | Share capital | Share premium account | Supplementary capital | Other reserve capitals | Retained earnings | Total equity |
|--|---------------|-----------------------|-----------------------|------------------------|-------------------|------------------|
| Shareholder's 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 | - | - | - | - | 228,628 | 228,628 |
| Total comprehensive income | - | - | - | - | 228,628 | 228,628 |
| 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) | - |
| Owner's equity as at 31 December 2018 | 28,336 | 259,530 | 900,217 | 5,935 | 228,952 | 1,422,970 |

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 |

Separate statement of cash flows

(in thousand PLN)

| | 1.01.2019- 30.09.2019 | 1.01.2018- 30.09.2018 |
|--|----------------------------------|----------------------------------|
| Cash flows from operating activities | | |
| Profit (loss) before tax | 166,755 | 202,658 |
| Adjustments: | | |
| Amortization and depreciation | 43,745 | 20,769 |
| Foreign exchange gains /losses | 2,173 | 7,011 |
| (Profit) /loss on the sale of property, plant and equipment | (1,459) | 258 |
| Net interest and share in profits | 27,793 | 23,643 |
| Net dividends | (88,791) | (183,285) |
| Other adjustments, net | 289 | (270) |
| Operating profit before changes in the working capital | 150,506 | 70,784 |
| Increase (decrease) in inventories | (139,515) | (375,324) |
| Change in receivables | (195,930) | (285,108) |
| Change in short-term liabilities | 307,010 | 284,083 |
| Cash generated by operating activities | 122,071 | (305,565) |
| Corporate income tax paid | (2,072) | 2,311 |
| Net cash from operating activities | 119,998 | (303,253) |
| Cash flow from investing activities | | |
| Proceeds from the sale of plant, property, equipment and intangible assets | 31,565 | 1,007 |
| Purchase of property, plant, equipment and intangible assets | (12,461) | (28,562) |
| Purchase of financial assets in related and other entities | (130) | (2,088) |
| Repayment of loans granted | 7,825 | 729 |
| Loans granted | (139) | (4,077) |
| Interest received | 1,084 | 1,206 |
| Dividends received | 81,289 | 183,285 |
| Net cash from investing activities | 109,033 | 151,500 |
| Cash flow from financing activities | | |
| (repayments) / proceeds from loans and lease | (166,665) | 193,570 |
| Interest paid | (28,030) | (22,969) |
| Financial lease contracts liabilities | (25,715) | (3,314) |
| Payment of the factoring | - | - |
| Dividend paid | (10,059) | (10,059) |
| Deposits received (returned) | 295 | - |
| Net cash from financing activities | (230,173) | 149,233 |
| Net change in cash and cash equivalents | (1,142) | (2,521) |
| Cash and cash equivalents at the beginning of the period | 24,283 | 31,454 |
| Cash and cash equivalents at the end of the period | 23,141 | 28,933 |

1. Accounting principles

Declaration of compliance with IFRS

Interim condensed separate financial statements of Inter Cars S.A. (hereinafter referred to as “the condensed interim financial statements”) were prepared for the period of 9 months ended on 30 September 2019.

These condensed separate interim consolidated financial statements were prepared in accordance with the International Accounting Standard IAS 34 “Interim Financial Reporting” relating to interim financial statements and is not inclusive of all information required with respect to annual financial statements. These condensed separate interim financial statements should be read together with the audited separate financial statements prepared in accordance with the IFRS for the year ended on 31 December 2018. No changes to the accounting principles applied by the Company were made during the reporting period presented compared to the those described in the financial statements for the year ended on 31 December 2018.

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.

Changes in IFRS and their interpretation which became effective as of 01 January 2019 until the date of approval of the financial statements for publication had bearing on these financial statements.

Description of amendments and the new standards, their influence on the statements of the Company was delivered in note V thereof.

The interim condensed separate financial statements of Inter Cars S.A. were approved for publication by the Management Board on 15 November 2019.

The interim condensed separate financial statements of Inter Cars S.A. were prepared under the assumption that the company shall continue as a going concern in the foreseeable future.

All values presented in the interim condensed financial statements were expressed in thousand PLN, unless otherwise indicated.

2. Investments in subordinated entities

| | 2019 | 2018 |
|--|----------------|----------------|
| As at 1 January (gross) | 425,193 | 423,106 |
| Increase, including: | 130 | 2,087 |
| - capital increase in Inter Cars d.o.o. with its registered seat in Sarajevo in Bosnia and Herzegovina | - | 2,087 |
| - new share capital in Inter Cars Deutschland GmbH | 53 | - |
| - new share capital in Inter Cars d.o.o. Beograd-Novi Beograd | 72 | - |
| - new share capital in Inter Cars Fleet Services Sp. z o.o. | 5 | - |
| As at 30 September (gross): | 425,323 | 425,193 |
| - write-down on Inter Cars Ukraine | (7,000) | (7,000) |
| As at 30 September (net) | 418,323 | 418,193 |

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

| | Sales revenues | | Purchase of goods and services | |
|---|--------------------------|--------------------------|--------------------------------|--------------------------|
| | 1.01.2019- 30.09.2019 | 1.01.2018- 30.09.2018 | 1.01.2019- 30.09.2019 | 1.01.2018- 30.09.2018 |
| Inter Cars Ukraine LLC | 86,516 | 68,196 | - | - |
| Q-Service Sp. z o.o. | 392 | 2,900 | 172,667 | 210,270 |
| Lauber Sp. z o.o. | 5,878 | 5,515 | 34,963 | 34,276 |
| Inter Cars Ceska Republika | 121,328 | 105,360 | 2,838 | 3,965 |
| Inter Cars Slovenska Republika | 133,932 | 118,873 | 2,137 | 1,874 |
| Feber Sp. z o.o. | 540 | 755 | 8,533 | 5,880 |
| Inter Cars Lietuva UAB | 158,858 | 141,087 | 5,960 | 16,572 |
| IC Development & Finance Sp. z o.o. | 10 | 16 | 440 | 756 |
| Inter Cars Italia srl. | 11,955 | 499 | 1,375 | 174 |
| Inter Cars d.o.o. | 69,131 | 78,689 | 3,214 | 2,211 |
| JC Auto S.A. | - | 64 | 4,183 | - |
| Inter Cars Hungária Kft | 68,462 | 88,453 | 1,943 | 3,483 |
| Inter Cars Romania s.r.l. | 145,437 | 193,502 | 2,123 | 4,002 |
| Armatus sp. z o.o. | 3 | 3 | 845 | 1,744 |
| Cleverlog Autoteile BmbH | 62,464 | 48,774 | 237 | 52 |
| Inter Cars Latvija SIA | 84,432 | 79,544 | 2,395 | 1,914 |
| Inter Cars Bulgaria Ltd. | 66,149 | 26,603 | 1,223 | 765 |
| Inter Cars Marketing Services Sp. z o.o. | 114 | 140 | (4,164) | 39,248 |
| ILS Sp. z o.o. | 3,038 | 4,512 | 273,762 | 285,146 |
| Q-Service Truck Sp. z o.o. | 391 | 409 | 13,881 | 14,876 |
| Inter Cars Malta Limited | 21 | - | 262,081 | 240,602 |
| Inter Cars d o.o. (Slovenia) | 2,907 | 3,503 | 305 | 224 |
| Inter Cars Eesti OU | 15,720 | 15,559 | 623 | 357 |
| ILS Latvijas filialie | - | 32 | - | - |
| Inter Cars Piese Auto s.r.l. | 100 | 30 | - | 1 |
| Inter Cars Greece Ltd. | 4,323 | 31 | - | - |
| Inter Cars d o.o. (Bosnia) | 90 | - | - | - |
| Inter Cars United Kingdom - automotive technology Ltd | 8,076 | - | - | - |
| | 1,050,264 | 983,047 | 791,565 | 868,393 |

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

| <i>Settlement</i> | Receivables as at | | Liabilities as at | |
|--|--------------------------|-------------------|--------------------------|-------------------|
| | 30/09/2019 | 31/12/2018 | 30/09/2019 | 31/12/2018 |
| Inter Cars Ukraine LLC | 57,341 | 48,396 | - | - |
| Lauber Sp. z o.o. | 21,410 | 17,032 | 10,382 | 10,022 |
| Inter Cars Ceska Republika | 58,189 | 43,908 | 809 | 558 |
| Inter Cars Slovenska Republika | 52,873 | 43,789 | 619 | 45 |
| Feber Sp. z o.o. | 138 | 10 | 7,517 | 8,873 |
| Inter Cars Lietuva UAB | 56,325 | 45,525 | 491 | 62 |
| Inter Cars Italia s.r.l. | 13,120 | 12,809 | 1,237 | 37 |
| Inter Cars d.o.o. (Croatia) | 141,472 | 128,559 | 762 | 283 |
| JC Auto S.A. | - | 298 | 2 | 258 |
| Inter Cars Hungária Kft. | 52,104 | 67,596 | 600 | 316 |
| JC Auto s.r.o. | 4,228 | 4,156 | - | - |
| Inter Cars Romania s.r.l. | 312,971 | 303,716 | 215 | 494 |
| Inter Cars Latvija SIA | 65,723 | 59,734 | 558 | 201 |
| Inter Cars Cyprus Ltd. | - | - | 4 | 4 |
| Cleverlog-Autoteile GmbH | 2,474 | 2,436 | - | - |
| Inter Cars Bulgaria EOOD | 39,687 | 18,700 | 176 | 2 |
| Inter Cars Marketing Services Sp. z o.o. | 273 | 234 | 94,012 | 72,292 |
| ILS Sp. z o.o. | 41 | 1,522 | 50,290 | 63,313 |
| Inter Cars Malta Holding Limited | 290 | 1,043 | (20) | (19) |
| Inter Cars Malta Limited | 5,607 | 9,873 | 117,913 | 78,176 |
| Q-service Truck Sp. z o.o. | 63 | 18 | 3,423 | 674 |
| Inter Cars INT d.o.o. (Slovenia) | 498 | 905 | 112 | 18 |
| Inter Cars Eesti OU | 3,471 | 1,946 | 226 | 98 |
| Q-Service Sp. z o.o. | 11 | 233 | 51,632 | 38,661 |
| ILS Latvijas filialie | 32 | 19 | - | - |
| IC Development & Finance Sp. z o.o. | 63 | 53 | 1,440 | 1,780 |
| Armatus sp. z o.o. | 1 | - | (109) | (253) |
| Inter Cars Piese Auto s.r.l. | (86) | (84) | - | - |
| Inter Cars Greece Ltd. | (1,119) | (4,650) | 7 | - |
| Intermeko Europe Sp. z o.o. | 13 | 11 | - | 99 |
| Inter Cars d.o.o. (Bosnia) | 91 | - | 5 | - |
| Inter Cars United Kingdom - automotive technology Ltd | 3,105 | - | - | - |
| Gross receivables / liabilities from subsidiaries | 890,410 | 807,787 | 342,304 | 275,994 |
| 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 | 842,704 | 760,081 | 342,304 | 275,994 |

Receivables on dividend

| <i>Receivables from subsidiaries</i> | 30/09/2019 | 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. | 1,259 | 1,043 |
| Q-Service Sp. z o.o. | 20,611 | 14,091 |
| Feber Sp. z o.o. | 1,400 | - |
| ILS Sp. z o.o. | 15,559 | - |
| Inter Cars Bulgaria EOOD | 5,962 | - |
| Inter Cars Latvija SIA | 7,502 | - |
| Gross receivables on dividend | 52,293 | 71,900 |

Settlements on loans and borrowings

| <i>Receivables from subsidiaries</i> | 30/09/2019 | 31/12/2018 |
|--|-------------------|-------------------|
| Lauber Sp. z o.o. | 8,776 | 8,937 |
| IC Development & Finance Sp. z o.o. | 17,752 | 24,094 |
| Inter Cars Bulgaria EOOD | 991 | 1,019 |
| Q-Service Truck sp z o.o. | 501 | 502 |
| Inter Cars Malta Limited | 12,836 | 12,838 |
| Inter Cars Greece | 929 | 1,317 |
| Gross receivables on loans | 41,786 | 48,707 |
| <i>Liabilities to subsidiaries</i> | | |
| Inter Cars Marketing Services Sp. z o.o. | 11,400 | 61,200 |
| Inter Cars Cyprus Ltd. | 86,010 | 83,358 |
| | 97,410 | 144,558 |

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 2019 amounted in total to: PLN 200,032 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.