



CAPITAL GROUP OF INTER CARS

Consolidated quarterly report containing a condensed interim consolidated report on the activities of the Inter Cars S.A. Capital Group together with interim consolidated financial statements of the Inter Cars, prepared for the period of 3 months ended on 31 March 2021.



Selected consolidated financial data of the Inter Cars Group	3
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE INTER CARS GROUP	4
Interim consolidated statement of comprehensive income.....	5
Interim consolidated statement of changes in equity	6
Interim consolidated statement of changes in equity (cont.)	7
Interim consolidated statement of cash flows.....	9
Explanatory notes to the interim condensed financial statements for the period of 3 months ended on 31 March 2021	10
I. Information about the Inter Cars Capital Group	10
II. Composition of the Capital Group	11
III. Declaration of compliance with IFRS	13
IV. Basis for preparing the condensed interim consolidated financial statements	13
V. Changes to the accounting principles	14
VI. Foreign Exchange rates applied to calculate the figures for 1 quarter of 2021	14
1. Summary of activities and consolidated and separate financial results for 1Q 2021.....	15
2. Material evaluations and estimates.....	17
3. Seasonality	18
4. Information on business segments	18
5. Dividend.....	19
6. Liabilities due to borrowings and other debt instruments	19
7. Contingent liabilities and sureties.....	20
8. The Management Board's standpoint on the feasibility of meeting the previously published forecasts of financial results for 2021	20
9. Shareholders holding 5% or more of the total vote at the General Shareholders Meeting of Inter Cars S.A.	20
10.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.	21
11.Information on important court, arbitration and administrative proceedings.....	21
12.Transactions with related entities.....	22
13.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	22
14.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.....	22
15.Information on material transactions with related entities concluded on terms other than at arm's length, including information on their amounts and nature.	22
16.Factors which in the Company's opinion will affect its financial results in the period covering at least the next quarter.....	22
QUARTERLY SEPARATE FINANCIAL STATEMENTS OF INTER CARS S.A.	24
Statement of financial position	24
Statement of comprehensive income.....	25
Statement of changes in equity.....	26
Statement of changes in equity (cont.).....	27
Statement of cash flows	28
1. Accounting principles	29
2. Investments in subordinated entities.....	29
3. Transactions with related entities in the condensed standalone financial statements.....	29
4. Contingent liabilities and sureties.....	31

Selected consolidated financial data of the Inter Cars Group

	<i>for the period of 3 months ended on</i>		<i>for the period of 3 months ended on</i>	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	in thousand PLN	in thousand PLN	EUR '000	EUR '000
Information on growth and profits				
Sales margin	30.2%	30.3%		
EBITDA	185,326	83,790	40,534	19,059
EBITDA as percentage of sales	7.3%	4.3%		
EBITDA (for 12 consecutive months)	739,762	431,364	161,799	98,120
Net debt / EBITDA	1.4	2.8		
Basic earnings per share (PLN)	8.19	1.86	1.79	0.42
Diluted earnings per share (PLN)	8.19	1.86	1.79	0.42
Operating profit	153,112	50,560	33,488	11,501
Net profit	116,107	26,361	25,395	5,996
Cash flows				
Operating cash flows	113,648	137,609	24,857	31,301
Investing cash flows	(8,412)	(6,143)	(1,840)	(1,397)
Financing cash flows	(80,333)	(109,714)	(17,570)	(24,956)
Employment and branches				
Employees				
Parent company	677	644		
Subsidiaries	2,709	2,628		
Branches				
Parent company	249	249		
Subsidiaries	319	314		
Consolidated statement of the financial situation				
	As at		As at	
	31/03/2021	31/12/2020	31/03/2021	31/12/2020
	in thousand PLN	in thousand PLN	EUR '000	EUR '000
Cash and cash equivalents	258,709	233,806	55,513	50,664
Balance sheet total	5,396 861	4,678,851	1,158 050	1,013,879
Loans, borrowings, finance lease and factoring	1,281,954	1,321 339	275,080	286,326
Equity attributable to the shareholders of the parent entity	2,521 394	2,395,496	541,037	519,090

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 31 March 2021 – 1 EUR = PLN 4.6603, and the National Bank of Poland exchange rate of 31 March 2020 - 1 EUR = PLN 4.5523 and the National Bank of Poland exchange rate of 31 December 2020 – 1 EUR = PLN 4.6148.
- 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 first quarter of 2021 and 2020, respectively: 1 EUR = PLN 4.5721 and 1 EUR = PLN 4.3963.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE INTER CARS GROUP

<i>(in thousand PLN)</i>	<u>31/03/2021</u>	<u>31/12/2020</u>	<u>31/03/2020</u>
ASSETS			
Non-current assets			
Tangible fixed assets	481,855	489,542	498,727
Right-of-use assets	274,729	272,956	250,462
Investment property	2,045	3,133	10,837
Real estate available for sale	8,721	8,721	-
Intangible assets	193,011	193,675	195,036
Investments in associates	1,655	1,655	1,029
Investments available for sale	299	299	298
Receivables	21,453	23,106	21,619
Non-current receivables on long-term rental	214,261	207,320	191,879
Deferred tax assets	15,305	13,534	37,372
	<u>1,213,334</u>	<u>1,213,941</u>	<u>1,207,259</u>
Current assets			
Inventory	2,714,867	2,223,117	2,428,583
Trade and other receivables	1,142,040	939,746	1,036,590
Receivables on short-term rental	67,911	68,241	59,282
Cash and cash equivalents	258,709	233,806	165,148
	<u>4,183 527</u>	<u>3,464,910</u>	<u>3,689,603</u>
TOTAL ASSETS	<u>5,396 861</u>	<u>4,678,851</u>	<u>4,896,862</u>
LIABILITIES			
Share capital	28,336	28,336	28,336
Share premium account	259,530	259,530	259,530
Supplementary capital	1,377,736	1,377,736	1,219,990
Other capital reserves	43,189	28,764	28,764
Foreign exchange gains /losses in subsidiaries	(561)	(10,352)	(16,642)
Retained earnings	813,164	711,482	562,269
Equity	<u>2,521 394</u>	<u>2,395,496</u>	<u>2,082,247</u>
Long-term liabilities			
Liabilities due to credits, loans	576,070	536,295	536,544
Finance lease liabilities	245,173	244,098	232,331
Non-current liabilities on long-term rental	214,261	207,320	191,879
Other long-term liabilities	5,222	7,131	4,902
Deferred income tax provision	28,117	15,438	3,580
	<u>1,068,843</u>	<u>1,010,282</u>	<u>969,236</u>
Short-term liabilities			
Trade and other liabilities	1,066 880	485,761	973,465
Trade and other liabilities– passed for factoring	99,145	73,908	85,658
Liabilities due to credits, loans	405,110	493,126	545,736
Finance lease liabilities	55,601	47,820	54,765
Liabilities on the short-term rental	67,911	68,241	59,282
Employee benefits	34,095	33,499	37,305
Income tax liabilities	77,882	70,718	89,169
	<u>1,806 624</u>	<u>1,273,073</u>	<u>1,845,379</u>
TOTAL LIABILITIES	<u>5,396 861</u>	<u>4,678,851</u>	<u>4,896,862</u>

Interim consolidated statement of comprehensive income
(in thousand PLN)

	for the period of 3 months ended on	
	31/03/2021	31/03/2020
Continued activity		
Revenues from the sale of products, goods and materials	2,556,518	1,955,068
Cost of sales	<u>(1,784,832)</u>	<u>(1,363,577)</u>
Gross profit on sales	771,686	591,491
Other operating revenue	7,176	8,271
Selling cost, general and administrative expenses	(338,868)	(323,118)
Costs of distribution service	(275,156)	(213,895)
Other operating expenses	<u>(11,726)</u>	<u>(12,189)</u>
Operating profit	153,112	50,560
Financial income	3,313	3,674
Exchange differences	1,628	(6,714)
Financial costs	<u>(12,572)</u>	<u>(15,089)</u>
Profit before tax	145,481	32,431
Income tax	<u>(29,374)</u>	<u>(6,070)</u>
Net profit	116,107	26,361
Attributable to:		
shareholders of the parent company	<u>116,107</u>	<u>26,361</u>
	116,107	26,361
OTHER COMPREHENSIVE INCOME		
Foreign exchange gains /losses	9,791	9,199
Total other comprehensive income, net	<u>9,791</u>	<u>9,199</u>
COMPREHENSIVE INCOME	125,898	35,560
Net profit attributable to:		
- the shareholders of the parent entity	<u>116,107</u>	<u>26,361</u>
	116,107	26,361
Comprehensive income attributable to:		
- the shareholders of the parent entity	125,898	35,260
- minority interests	<u>-</u>	<u>-</u>
	125,898	35,560
Earnings per share (PLN)		
- basic	8.19	1.86
- diluted	8.19	1.86
Number of shares	14,168,100	14,168,100
Number of shares to be diluted	14,168,100	14,168,100

Interim consolidated statement of changes in equity

for the period from 1 January 2021 to 31 March 2021

<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 1 January 2021	28,336	259,530	1,377,736	(10,352)	28,764	711,482	2,395,496
Profit in the reporting period	-	-	-	-	-	116,107	116,107
Foreign exchange gains /losses	-	-	-	9,791	14,425	(14,425)	9,791
Distribution of prior period profit - allocation to reserve capitals	-	-	-	-	-	-	-
As at 31 March 2021	28,336	259,530	1,377,736	(561)	43,189	813,164	2,521 394

for the period from 1 January 2020 to 31 December 2020

<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 1 January 2020	28,336	259,530	1,219,990	(25,841)	28,764	535,908	2,046,687
Statement of comprehensive income							
Profit in the reporting period	-	-	-	-	-	333,320	333,320
Foreign exchange gains /losses in subsidiaries	-	-	-	15,489	-	-	15,489
Distribution of prior period profit – dividend	-	-	-	-	-	-	-
Distribution of retained profits - transfer to supplementary and reserve capital	-	-	157,746	-	-	(157,746)	-
As at 31 December 2020	28,336	259,530	1,377,736	(10,352)	28,764	711,482	2,395,496

Interim consolidated statement of changes in equity (cont.)

for the period from 1 January 2020 to 31 March 2020

<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 1 January 2020	28,336	259,530	1,219,990	(25,841)	28,764	535,908	2,046,687
Profit in the reporting period	-	-	-	-	-	26,361	26,361
Foreign exchange gains /losses	-	-	-	9,199	-	-	9,199
Distribution of prior period profit - allocation to reserve capitals	-	-	-	-	-	-	-
As at 31 March 2020	28,336	259,530	1,219,990	(16,642)	28,764	562,269	2,082,247

Interim consolidated statement of cash flows
(in thousand PLN)

	1/01/2021 – 31/03/2021	1/01/2020 – 31/03/2020
Cash flows from operating activities		
Profit before tax	145,481	32,431
Adjustments:		
Amortization and depreciation	32,214	33,230
Foreign exchange gains /losses	189	5,445
(Profit / loss on investing activities	2,315	1,758
Net interest	9,195	13,129
Other adjustments, net	7,599	9,199
Operating profit before changes in the working capital	196,993	95,192
Increase (decrease) in inventories	(491,750)	(365,763)
Increase (decrease) in receivables	(205,960)	(80,043)
Change in short-term liabilities	625,128	492,616
Cash generated by operating activities	124,411	142,002
Corporate income tax paid	(10,763)	(4,393)
Net cash from operating activities	113,648	137,609
Cash flow from investment activities		
Proceeds from the sale of intangible assets, investment property, property, plant and equipment	247	623
Acquisition of intangible assets, investment property, and property, plant and equipment	(9,090)	(6,677)
Repayment of loans granted	419	346
Loans granted	(58)	(548)
Interest received	70	113
Net cash from investing activities	(8,412)	(6,143)
Cash flow from financing activities		
Revenues under credits and debt securities	49,427	4,739
Repayment of credits	(89,169)	(70,557)
Financial lease contracts liabilities	(31,326)	(30,654)
Interest paid	(9,265)	(13,242)
Net cash from financing activities	(80,333)	(109,714)
Net change in cash and cash equivalents	24,903	21,752
Cash and cash equivalents at the beginning of the period	233,806	143,397
Cash and cash equivalents at the end of the period	258,709	165,148

Explanatory notes to the interim condensed financial statements for the period of 3 months ended on 31 March 2021**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.

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
phone (+48-22) 714 19 16
fax. (+48-22) 714 19 18
biuro.zarzadu@intercars.eu
relacje.inwestorskie@intercars.eu
www.intercars.com.pl

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

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
Wojciech Twaróg
Piotr Zamora

Statutory auditor

During selection. The Audit Committee is analysing offers delivered by selected audit companies.

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 31 March 2021 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 2020 are available at www.intercars.com.pl in Investor Relations tab.

As at 31 March 2021, the following entities comprised the Inter Cars Capital Group: Inter Cars S.A. as the parent entity, and 34 other entities, including:

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

The Group also holds shares in one related entity.

The first quarter of 2021 saw no changes in the organizational structure of the issuer's Capital Group, including changes resulting from amalgamation or gaining or losing control over subsidiaries and long-term investments or as a result of division, restructuring or discontinuance.

Name of entity	Registered seat	Scope of activities	Consolidation method	% of the Group's share in the share capital	
				31/03/2021	31/03/2020
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					
Name of entity	Registered seat	Scope of activities	Consolidation method	% of the Group's share in the share capital	
				31/03/2021	31/03/2020
Inter Cars Ukraine	Khmelnitsky, 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%
Inter Cars Italia s.r.l.	Pero, Italy	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	
				31/03/2021	31/03/2020
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.	Częstków 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 delivery vans and trucks	full	100%	100%
Inter Cars INT d.o.o.	Ljubljana, 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	Tipton, Great Britain	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars d.o.o. Beograd-Rakovica	Belgrade-Rakovica, Serbia	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Fleet Services Sp. z o.o.	Warsaw Poland	Services for motor-vehicle fleets related to vehicle repairs	full	100%	100%
JAG Sp. z o.o.*	Warsaw, Poland	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	-
OOO Inter Cars Automobilna Technika**	Mogilev, Belarus	Distribution of spare parts for passenger cars and commercial vehicles	Not applicable	100%	-

Name of entity	Registered seat	Scope of activities	Consolidation method	% of the Group's share in the share capital	
				31/03/2021	31/03/2020
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****	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 operational activity in 1Q2020.

**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

The condensed interim consolidated financial statements of the Inter Cars Capital Group were prepared for the period of 3 months ended on 31 March 2021.

The condensed interim financial statements covering first quarter of 2021 comply with the requirements of the International Accounting Standard IAS 34 *"Interim Financial Reporting"* related to interim financial statements.

The condensed interim financial statements of the Group are published together with the condensed standalone interim financial statements. The condensed standalone interim financial statements of the Company should be read together with the condensed interim consolidated financial statements of the Group in order to have a comprehensive view of the financial result and the financial situation of the company.

Preparation of financial statements in accordance with IFRS requires application of specific accounting estimates. It also requires from the Management Board to use its own judgement with regard to application of the accounting standards adopted by the Group. The areas a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are presented in note 14.

Interim condensed consolidated financial statement of Inter Cars S.A. Capital Group prepared for the period of 3 months ended on 31 March 2021 with explanatory notes to interim condensed financial statements and quarterly financial information of Inter Cars S.A. 1Q 2021 was approved by the Board of Managers for publication on 20 May 2021.

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 2020.

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

The information included in these condensed interim financial statements was prepared based on the same accounting principles and calculation methods as those applied in the preceding annual consolidated financial statements for the year 2020.

VI. Foreign Exchange rates applied to calculate the figures for 1 quarter of 2021

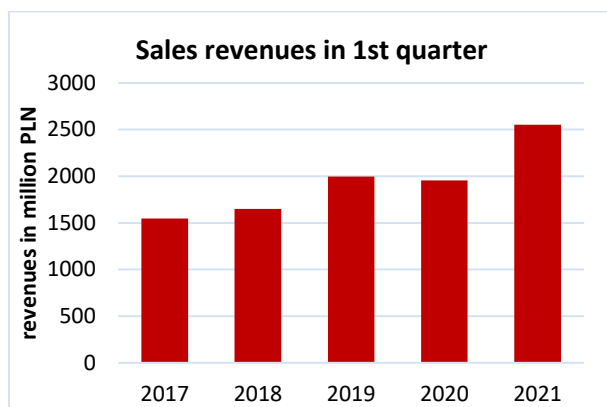
All financial figures presented in the report in EUR were translated according to the following exchange rates:

	2021	2020
exchange rate as at 31 March	4.6603	4.5523
average exchange rate in the period from 1 January to 31 March	4.5721	4.3963

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 31 March constituting the average EUR exchange rate announced on 31 March 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.

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



1. Summary of activities and consolidated and separate financial results for 1Q 2021

Summary of financial results of the Inter Cars Group

- In 1Q 2021, the Group recorded a **30,8% growth of consolidated sales revenues** compared to the same period of 2020. The first quarter of 2020 was very unusual, as a result of worldwide pandemic caused by the SARS-COV-2 virus. Resulting from the above, at the beginning of 2020, serious restrictions on social activities and economical activities were implemented, and business activity of companies, including Inter Cars Group, was realized in conditions of limited demand from the market and consumers, leading to substantial decrease in sales, compared to the year before. Current pandemic situation has stabilized, social and economic activities are getting back to normal.
 - **Export sales** understood as sales by the overseas distribution companies, and direct sales by Inter Cars S.A. to foreign clients increased by nearly **36%** compared to the analogous period a year ago.
 - The revenues of Inter Cars at home accounted for app. **45% of the total revenues** of the Capital Group (taking into account consolidation exclusions). The foreign companies' share in the distribution activities increased from 47% in the 1st quarter of 2020 to 48% in the 1st quarter of 2021. The Polish market remains the basic sales market for the Capital Group.
 - **Consolidated margin** on the sale of goods is on similar level to the year before, amounting to 30.2%.
- The margin level in 1Q 2021 was also influenced by the positive exchange differences amounting to PLN 4.3 million, and in the same period of 2020 the amount of positive exchange differences was PLN 15.7. Comparing the level of gross percent margin, if we eliminate the influence of these exchange gains/losses on the margin, it would amount to 30.0% in the first quarter 2021, and was 0.5 percent higher in comparison to the same period a year before.
- The costs of sale and administration in 3 months of 2021 went down by 3.2% to 13.3% compared to the same period of 2020, when it was on the level of 16.5%. In order to keep the profitability on a proper level, the Board continues monitoring operating costs, including realization of projects and optimization of processes.
 - **Consolidated net profit** amounted to PLN 116,107 thousand and was higher by PLN 89,746 thousand compared to the net profit for the first three months of the year before.
 - The consolidated EBITDA for 12 months cumulatively for the period ended on 31 March 2021 was PLN 739,762 thousand (measured as a profit on operating activity plus depreciation).
 - **The net debt /EBITDA** ratio is 1.38, compared to 2.79 as at 31 March 2020. Positive influence on the ratio had improvement of profitability and also limitation of Group's debt, resulting mostly from slower increase of purchases.
 - In Q1 2021 the effective tax rate was equal to the anticipated tax rate for 2021.

Revenues increased in all geographical markets. The Group has been expanding its business in Central and Eastern Europe. This market displays a large potential of growth and a net profitability higher than the domestic market. The highest sales increase after 1 quarter of 2021 – compared to the same period of the previous year – (after translation to PLN and consolidation exclusions) was recorded by companies in the following countries: Greece (153%), Republic of Republic of Moldova (76%), Republic of Slovenia (52%) and Bosnia (44%). Whilst daughter companies with the biggest influence on the sales revenues of the Group, went up accordingly: Romania (36%), Bulgaria (59%), Hungary (17%) and Slovak Republic (15%).

The underlying financial data of the Inter Cars S.A. Group for 1 quarter of 2021 were as follows:

	for the period of 3 months ended on		for the period of 3 months ended on	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
(<i>'000</i>)	PLN	PLN	EUR	EUR
Profit and loss account (for the period)				
Sales revenues	2,556,518	1,955,068	559,156	444,708
Gross profit (loss) on sales	771,686	591,491	168,782	134,543
Net financial revenues / costs	(7,631)	(18,129)	(1,669)	(4,124)
Operating profit (loss)	153,112	50,560	33,488	11,501
Net profit (loss)	116,107	26,361	25,395	5,996
Other financial data				
Operating cash flows	113,648	137,609	24,857	31,301
Investing cash flows	(8,412)	(6,143)	(1,840)	(1,397)
Financing cash flows	(80,333)	(109,714)	(17,570)	(24,956)
Basic profit per share	8.19	1.86	1.79	0.42
Sales margin	30.2%	31.0%		
EBITDA margin	7.3%	4.3%		
Balance sheet (as at)				
	31/03/2021	31/12/2020	31/03/2021	31/12/2020
	PLN	PLN	EUR	EUR
Cash and cash equivalents	258,709	233,806	55,513	50,664
Balance sheet total	5,396,861	4,678,851	1,158,050	1,013,879
Loans, borrowings and finance lease	1,281,954	1,321,339	275,080	286,326
Equity	2,521,394	2,395,496	541,037	519,090

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 3 months ended on		for the period of 3 months ended on	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	PLN	PLN	EUR	EUR
(’000)				
Profit and loss account (for the period)				
Sales revenues	1,770,632	1,396,565	387,269	317,668
Gross profit (loss) on sales	436,484	372,739	95,467	84,785
Costs of license	(7,636)	(1,518)	(1,670)	(345)
Net financial revenues / costs	(3,783)	(15,915)	(827)	(3,620)
Operating profit (loss)	101,385	31,937	22,175	7,265
Net profit (loss)	77,010	10,618	16,843	2,415
Other financial data				
Operating cash flows	94,802	92,228	20,735	20,979
Investing cash flows	1,202	(4,067)	263	(925)
Financing cash flows	(90,348)	(84,296)	(19,761)	(19,174)
Basic profit per share	5.44	0.75	1.19	0.17
Sales margin	24.7%	26.7%		
EBITDA margin	6.2%	3.0%		
Balance sheet (as at)	31/03/2021	31/12/2020	31/03/2021	31/12/2020
	PLN	PLN	EUR	EUR
Cash and cash equivalents	24,735	19,079	5,308	4,134
Balance sheet total	4,121,698	3,633,211	884,428	787,295
Loans, borrowings and finance lease	971,842	1,046,306	208,536	226,728
Equity	1,867,505	1,790,495	400,726	387,990

The sales revenues in Q1 2021 were **26.8% higher** than in the same period of the year before.

The gross sales profit in Q1 2021 amounted to PLN 436,484 thousand and was higher by 17.1%, in comparison to the same period of 2020. **The sales margin** (calculated as gross profit on sales to sales) for 1 quarter of 2021 was 24.7% (compared to 26.7% in 1 quarter of 2020).

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.

Financial revenues and costs include primarily costs and revenues due to interest on credits. In Q1 2021, the Company incurred PLN 3,761k of these costs. (compared to PLN 8,077k in the same period of 2020).

Liabilities resulting from credits, loans, debt securities and finance lease as at 31 March 2021 amounted to PLN 971,842 thousand.

2. 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 2020.

3. Seasonality

Sales revenues display a slight degree of seasonality, with Q1 usually constituting app. 22% of the annual sales revenues.

4. Information on business segments

Structure of Inter Cars Capital Group results from strategy of geographical expansion in distribution of automotive spare parts (Inter Cars Ukraine LLC, Inter Cars Česká republika s.r.o., Inter Cars Slovenská republika s.r.o., Inter Cars Lietuva UAB, Inter Cars d.o.o, Inter Cars Hungária Kft., JC Auto S.A, Inter Cars Romania s.r.l., Inter Cars Latvija SIA, Inter Cars Bulgaria EOOD, Cleverlog-Autoteile GmbH, Inter Cars Eesti OÜ, Inter Cars INT d.o.o. (Slovenia), Inter Cars Piese Auto s.r.l. (Moldavia), Inter Cars GREECE, Inter Cars d.o.o Sarajevo (Bosnia and Herzegovina), Inter Cars United Kingdom - automotive technology Ltd, Inter Cars d.o.o. Beograd-Rakovica, JAG Sp. z o.o. and development of supporting projects for core business (Lauber Sp. z .o.o., Feber Sp. z o.o., Q-Service Sp. z .o.o., IC Development & Finance Sp. z .o.o., Armatus Sp. z o.o., Inter Cars Cyprus Limited, Inter Cars Marketing Services Sp. z o.o., ILS Sp. z o.o., Inter Cars Malta Holding, Inter Cars Malta Limited, Q-Service Truck Sp. Z o.o., Aurelia Auto d o o and Inter Cars Fleet Services Sp. z o.o.

The above mentioned entities were consolidated with the full method as at 31 March 2021. Financial data of InterMeko Europe Sp. z o.o. were consolidated using equity method .

The core business of the Inter Cars S.A. Capital Group is the sale of spare parts. Additionally, the companies Feber Sp. z o.o., Lauber Sp. z o.o., IC Development & Finance Sp. z o.o. and ILS Sp. z o.o. operate also in other sectors, including: manufacture of trailers, remanufacture of parts, development and logistics services, whereas the company Inter Cars Fleet Services Sp. z o.o. offers comprehensive handling of car fleets, including comprehensive body and mechanical repair services.

The Inter Cars Capital Group applies uniform accounting principles to all segments. Transactions between particular segments are carried out at arm's length. The above-mentioned transactions were eliminated from these condensed consolidated quarterly financial statements.

Information on business segments

for the period of 3 months ended on 31 March 2021

	Sale of spare parts	Other segments	Eliminations	Total
External sales	2,513 303	43,215	-	2,556,518
Inter-segment sales	1,146	140,607	(141,753)	-
Profit before tax	159,704	829	(15,052)	145,481

for the period of 3 months ended on 31 March 2020

	Sale of spare parts	Other segments	Eliminations	Total
External sales	1,830 464	124,604	-	1,955 068
Inter-segment sales	2,144	29,075	(31,219)	-
Profit before tax	46,692	2,266	(16,527)	32,431

Assets by operating segments

	Status as at 31 March 2021	Status as at 31 December 2020
Sale of spare parts segment	7,373,401	6,518 825
Other segments	548,625	515,095
Eliminations	<u>(2,526,165)</u>	<u>(2,355,069)</u>
	<u>5,396,861</u>	<u>4,678 851</u>

5. Dividend

In the reporting period, no dividend was distributed by Inter Cars S.A.

On 27 April 2021, the Company's Management Board passed a resolution to accept the Board's motion for the distribution of the 2020 profit, in conformity with which the Board shall motion for the distribution of the 2020 profit in such a way, that from the net profit of PLN 222,609,760.53 for 2020, the amount of PLN 20,118,702,00, i.e. PLN 1.42 per share shall be paid out to the shareholders in the form of a dividend, whilst the remaining amount of the profit in the amount of PLN 202,491,058.53 shall be transferred to supplementary capital. The Board also took a decision to propose to the General Shareholders Meeting the day of dividend for 30 June 2021 and pay-out of the dividend for 14 July 2021.

The Company's Supervisory Board acknowledged and approved the Management Board's motion of 27 April 2021 regarding the distribution of the 2020 profit and recommended that the Company's Shareholders Meeting adopt a resolution on distributing the 2020 profit in conformity with the Management Board's motion.

6. Liabilities due to borrowings and other debt instruments

The new syndicated credit facility agreement

The credit conditions for term loans and revolving credits are described in the annual consolidated financial statements of the Group.

Bank credits concluded directly by subsidiary companies

In the reporting period, in subsidiary company in Bulgaria, a credit limit has been open for the amount of EUR 10 million at Raiffeisenbank (Bulgaria) EAD with maturity date on 30 October 2022.

Conditions of credit facility agreements have been described in consolidated financial statements of the Group.

Loans and borrowings as at 31/03/2021

	Contractual amount (limit)	Used	Maturity date
Current loans and borrowings at nominal value			
Syndicated credit	878,688	335,685	12/11/2021
<i>Inter Cars S.A.</i>		303,476	
<i>Inter Cars Slovenska Republika s.r.o.</i>		24,639	
<i>Lauber Sp. z.o.o.</i>		7,570	
ING Bank N.V. (Inter Cars Romania s.r.l.)	66,234	50,674	11/11/2021
SKB Banka (ICSI - Inter Cars INT D o.o.)	9,321	3,588	30/09/2021
Raiffeisen a.s. (Inter Cars Česká republika s.r.o)	26,745	16,184	28/02/2022
	<u>980,988</u>	<u>406,131</u>	
Non-current loans and borrowings at nominal value			
Syndicated credit	565,500	537,000	14/11/2022
Raiffeisenbank (Bulgaria) EAD	46,603	40,034	30/10/2022
	<u>612,103</u>	<u>577,034</u>	

Loans and borrowings as at 31 March 2020

Current loans and borrowings at nominal value	Contractual amount (limit)	Used	Maturity date
	Syndicated credit	878,688	466,522
<i>Inter Cars S.A.</i>		417,900	
<i>Inter Cars Slovenska Republika s.r.o.</i>		36,117	
<i>Lauber Sp. z.o.o.</i>		12,505	
ING Bank N.V. (Inter Cars Romania s.r.l.)	66,003	58,945	11-11-2020
Nova Kreditna Banka Maribor d.d. (ICSI - Inter Cars INT D o.o.)	6,828	4,552	18-11-2020
Raiffeisen a.s. (Inter Cars Česká republika s.r.o)	29,304	16,256	28-02-2021
	980,823	546,275	

Non-current loans and borrowings at nominal value	Contractual amount (limit)	Used	Maturity date
	Syndicated credit	565,500	537,000
	565,500	537,000	

7. 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 with substantial value.

Sureties and guarantees granted by the Group as at 31 March 2021 amounted in total to: PLN 11,336 thousand.

8. The Management Board's standpoint on the feasibility of meeting the previously published forecasts of financial results for 2021

The Board of Directors of Inter Cars S.A. has not published any forecast of financial results for the year 2021.

9. Shareholders holding 5% or more of the total vote at the General Shareholders Meeting of Inter Cars S.A.

Shareholders holding 5% or more of the total vote at the General Shareholders Meeting of Inter Cars S.A., as at the day of publication of these financial 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 Aviva Santander	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 Maciej Oleksowicz, President of the Management Board of the Company.

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

The list of shareholders was prepared based on notifications received in accordance with art. 69 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies Journal of Laws of 2005, No. 184 item 1539, as amended), and art. 19 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ("MAR Regulation").

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

From the date of publication of the previous report, i.e., 21 April 2021, there has been no change in shareholders holding at least 5% of total shares of the Company.

One share gives one vote at the General Shareholders Meeting of the Company. Voting restrictions are laid out in §18a of the Articles of Association, according to which no shareholder holding over 33% of votes may cast more than 33% of the total number of votes they are entitled to as at the date of the General Meeting. This restriction does not apply to determining the purchasers of substantial blocks of shares.

Furthermore, pursuant to the provisions of the Articles, this limitation shall expire if one of the shareholders purchases (on their own behalf and account) and registers at the General Meeting over 50% of the total number of votes in the Company, provided that all shares above 33% of the total number of shares in the Company and all shares above this threshold are purchased by such shareholder in response to a call to subscribe for all shares of the Company announced in conformity with the Act.

Above change of Status of the Company was registered by the registry court - District Court for the Capital City of Warsaw in Warsaw, XII Commercial Department of the National Court Register, on 17 May 2017.

10.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 5 005 591 of shares, constituting 35,32% 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.

List of shares being held by the managing and supervisory personnel of Inter Cars as at the date of publishing the report is presented in below chart:

Shareholder	Number of shares	Total nominal value	Percentage of share in the share capital held (%)	Percentage of total vote held (%)
Management Board				
Maciej Oleksowicz*	3,726,721	7,453,442	26.30%	26.30%
	3,726,721	7,456,442		
Supervisory Board				
Andrzej Oliszewski	1,277,370	2,554,740	9.02%	9.02%
	1,277,370	2,554,740		
Total	5,004 091	10,011,182	35.32%	35.32%

* Directly by OK Automotive Investments B.V.

There were no changes in ownership of the Company shares held by the Company's management and supervisory personnel since the publication of the most recent quarterly report, i.e., 21 April 2021.

11.Information on important court, arbitration and administrative proceedings

No material proceedings were instituted in the reporting period before a court or a public administration authority relating to liabilities or receivables of the Company or its subsidiaries nor are there any material proceedings pending before a court or a public administration authority relating to liabilities or receivables of the Company or its subsidiaries.

12. Transactions with related entities

<i>(in thousand PLN)</i>	1.01.2021- 31.03.2021	1.01.2020- 31.03.2020
<i>remuneration of the members of the Supervisory Board and the Management Board</i>		
Remuneration of the members of the Supervisory Board	134	158
Remuneration of the members of the Management Board	724	611
	859	768
	1.01.2021- 31.03.2021	1.01.2020- 31.03.2020
<i>Transactions with related entities</i>		
Income on sales to related entities	83	640
Purchase of goods and services from related entities	157	4,548
	31/03/2021	31/12/2020
<i>Settlements with related entities</i>		
Receivables from related entities	46	69
Liabilities to related entities	15	-

13. 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."

14. 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

No such events.

15. 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.

16. 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 Q2 2021 include:

- ✓ *the condition of the Polish and European economy* and its impact on the financial situation of customers and consumers (including the impact of the COVID-19 pandemic on the global economy and the market demand);
- ✓ *optimization of cost of business* activity aimed at keeping profitability at a proper level
- ✓ *trends in the foreign exchange rates, mainly* EUR, USD and YEN against PLN, UAH, HUF, CZK, HRK, RON, BGN, MDL and BAM;
- ✓ 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*
 - ✓ enhanced awareness of the "Inter Cars" brand and obtaining new customers, which will contribute to the development of operating activities;

QUARTERLY SEPARATE FINANCIAL STATEMENTS OF INTER CARS S.A.
Statement of financial position

<i>(in thousand PLN)</i>	31/03/2021	31/12/2020	31/03/2020
ASSETS			
Non-current assets			
Tangible fixed assets	108,493	112,281	114,556
Right-of-use assets	29,562	30,383	13,071
Intangible assets	183,359	183,731	185,469
Investments in subordinated entities	445,757	445,757	427,209
Investments available for sale	260	260	258
Receivables	18,675	17,085	18,043
Non-current receivables on long-term rental	104,457	99,846	95,155
Deferred tax assets	-	-	9,848
	890,563	889,343	863,609
Current assets			
Inventory	1,616,021	1,295,136	1,530,175
Trade and other receivables	1,545,691	1,385,571	1,393,302
Receivables on short-term rental	44,688	44,082	41,447
Cash and cash equivalents	24,735	19,079	21,833
	3,231,135	2,743,868	2,986,757
TOTAL ASSETS	4,121,698	3,633,211	3,850,366
LIABILITIES			
Equity			
Share capital	28,336	28,336	28,336
Share premium account	259,530	259,530	259,530
Supplementary capital	1,273,761	1,273,761	1,118,787
Other reserve capitals	5,935	5,935	5,935
Retained earnings	299,943	222,933	165,916
	1,867,505	1,790,495	1,578,504
Long-term liabilities			
Liabilities due to credits, loans	535,971	536,231	536,541
Finance lease liabilities	26,497	27,611	19,524
Non-current liabilities on long-term rental	104,457	99,846	95,155
Deferred income tax provision	33,846	23,845	-
	700,771	687,533	651,220
Short-term liabilities			
Trade and other liabilities	1,017,427	551,970	978,160
Liabilities on credits, loans, debt securities	396,827	468,251	508,304
Finance lease liabilities	12,547	14,214	13,726
Liabilities on the short-term rental	44,688	44,082	41,447
Employee benefits	17,096	18,520	20,420
Income tax liabilities	64,837	58,146	58,585
	1,553,422	1,155,183	1,620,642
TOTAL LIABILITIES	4,121,698	3,633,211	3,850,366

Statement of comprehensive income

<i>(in thousand PLN)</i>	for the period of 3 months ended on	
	<u>31/03/2021</u>	<u>31/03/2020</u>
Continued activity		
Revenues from the sale of products, goods and materials	1,770,632	1,396,565
Cost of sales	<u>(1,334,148)</u>	<u>(1,023,826)</u>
Gross profit on sales	436,484	372,739
Other operating revenue	2,515	9,995
Selling cost, general and administrative expenses	(191,865)	(198,268)
Costs of distribution service	(131,591)	(115,792)
Costs of license	(7,636)	(1,518)
Other operating expenses	<u>(6,522)</u>	<u>(35,219)</u>
Operating profit	101,385	31,937
Financial income	1,832	2,341
Dividends received	327	-
Exchange differences	1,628	(6,714)
Financial costs	<u>(7,570)</u>	<u>(11,542)</u>
Profit before tax	97,602	16,022
Income tax	<u>(20,592)</u>	<u>(5,404)</u>
Net profit	<u>77,010</u>	<u>10,618</u>
OTHER COMPREHENSIVE INCOME		
Total other comprehensive income, net	<u>-</u>	<u>-</u>
COMPREHENSIVE INCOME	<u>77,010</u>	<u>10,618</u>
Earnings per share (PLN)		
- basic	5.44	0.75
- diluted	5.44	0.75
Number of shares	14,168,100	14,168,100
Number of shares to be diluted	14,168,100	14,168,100

Statement of changes in equity

for the period from 1 January 2021 to 31 March 2021

<i>(in thousand PLN)</i>	Share capital	Share premium account	Supplementary capital	Other reserve capitals	Retained earnings	Total equity
Owner's equity as at 01 January 2021	28,336	259,530	1,273,761	5,935	222,933	1,790 495
Statement of comprehensive income						
Profit in the reporting period	-	-	-	-	77,010	77,010
Total comprehensive income in the reporting period	-	-	-	-	77,010	77,010
Distribution of retained profits - carried over to supplementary capital	-	-	-	-	-	-
Owner's equity as at 31 March 2021	28,336	259,530	1,273,761	5,935	299,943	1,867 505

for the period from 1 January 2020 to 31 December 2020

<i>(in thousand PLN)</i>	Share capital	Share premium account	Supplementary capital	Other reserve capitals	Retained earnings	Total equity
Shareholder's equity as at 1 January 2020	28,336	259,530	1,118,787	5,935	155,298	1,567,886
Statement of comprehensive income						
Profit in the reporting period	-	-	-	-	222,609	222,609
Total comprehensive income	-	-	-	-	222,609	222,609
Transactions with shareholders						
Distribution of prior period profit – dividend	-	-	-	-	-	-
Distribution of retained profits - carried over to supplementary capital	-	-	154,974	-	(154,974)	-
Owner's equity as at 31 December 2020	28,336	259,530	1,273,761	5,935	222,933	1,790 495

Statement of changes in equity (cont.)

for the period from 1 January 2020 to 31 March 2020

(in thousand PLN)

	Share capital	Share premium account	Supplementary capital	Other reserve capitals	Retained earnings	Total equity
Shareholder's equity as at 1 January 2020	28,336	259,530	1,118,787	5,935	155,298	1,567,886
Statement of comprehensive income						
Profit in the reporting period	-	-	-	-	10,618	10,618
Total comprehensive income in the reporting period	-	-	-	-	10,618	10,618
Distribution of retained profits - carried over to supplementary capital	-	-	-	-	-	-
Owner's equity as at 31 March 2020	28,336	259,530	1,118,787	5,935	165,916	1,578,504

Statement of cash flows

<i>(in thousand PLN)</i>	1/01/2021 – 31/03/2021	1/01/2020 – 31/03/2020
Cash flows from operating activities		
Profit (loss) before tax	97,602	16,022
Adjustments:		
Amortization and depreciation	8,280	10,263
Foreign exchange gains /losses	803	5,288
(Profit / loss on investing activities	(25)	(78)
Net interest and share in profits	4,837	8,768
Net dividends	(327)	-
Other adjustments, net	-	(41)
Operating profit before changes in the working capital	111,170	40,222
Increase (decrease) in inventories	(320,885)	(273,829)
Increase (decrease) in receivables	(165,300)	(81,793)
Change in receivables under rental	(5,215)	1,358
Change in short-term liabilities	473,717	408,116
Change in liabilities under rental	5,215	(1,358)
Cash generated by operating activities	98,702	92,716
Corporate income tax paid	(3,900)	(487)
Net cash from operating activities	94,802	92,228
Cash flow from investment activities		
Proceeds from the sale of plant, property, equipment and intangible assets	28	411
Purchase of property, plant, equipment and intangible assets	(2,902)	(2,063)
Purchase of financial assets in related and other entities	-	(1,841)
Repayment of loans granted	340	266
Loans granted	(2,698)	(1,700)
Interest received	144	288
Dividends received	6,290	572
Net cash from investing activities	1,202	(4,067)
Cash flow from financing activities		
(repayments) / proceeds from credits and leases	(12,567)	(14,152)
Liabilities on credits and loans	(72,800)	(61,088)
Deposits received /(returned)	-	(50)
Interest paid	(4,981)	(9,056)
Net cash from financing activities	(90,348)	(84,296)
Net change in cash and cash equivalents	5,656	3,866
Cash and cash equivalents at the beginning of the period	19,079	17,967
Cash and cash equivalents at the end of the period	24,735	21,833

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

New investments in subordinated entities did not take place in the first quarter 2021:

	2021	2020
As at 1 January (gross)	427,819	425,978
Increase, including:	-	1,841
- increase in share capital in Inter Cars d o.o. Beograd Rakovica	-	846
- increase in share capital in Inter Cars Fleet Services Sp. z o.o.	-	995
As at 31 March (gross):	427,819	427,819
- impairment on Inter Cars Hungaria Kft.	(611)	(611)
As at 31 March (net)	427,208	427,208

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

	Sales revenues		Purchase of goods and services	
	1/01/2021– 31/03/2021	1/01/2020 – 31/03/2020	1/01/2021– 31/03/2021	1/01/2020 – 31/03/2020
Inter Cars Ukraine LLC	38,758	36,986	-	-
Q-Service Sp. z o.o.	121	2	47,803	54,919
Lauber Sp. z o.o.	1,426	2,357	24,114	24,601
Inter Cars Česká republika s.r.o.	56,627	41,914	1,367	1,231
Inter Cars Slovenská republika s.r.o.	55,254	46,081	1,109	1,338
Feber Sp. z o.o.	212	196	3,256	1,062
Inter Cars Lietuva UAB	62,401	46,820	1,008	1,046
IC Development & Finance Sp. z o.o.	-	5	89	122
Inter Cars Italia srl.	(293)	1,758	72	28
Inter Cars d.o.o.	39,364	27,006	2,275	1,663
JC Auto S.A.	22	73	-	-
Inter Cars Hungaria Kft.	38,740	28,670	594	1,067
Inter Cars Romania s.r.l.	83,826	54,432	1,548	643
Armatus sp. z o.o.	1	1	-	147
Cleverlog-Autoteile GmbH	33,153	24,944	225	144
Inter Cars Latvija SIA	36,777	24,970	833	798
Inter Cars Bulgaria EOOD	37,395	24,161	515	409
Inter Cars Marketing Services Sp. z o.o.	348	60	15,448	19,461
ILS Sp. z o.o.	962	1,084	119,632	85,035
Q-Service Truck Sp. z o.o.	204	207	6,292	5,200
Inter Cars Malta Limited	-	30	92,627	87,619
Inter Cars INT d.o.o. (Slovenia)	2,053	1,951	134	126
Inter Cars Eesti OÜ	8,082	4,580	351	382
Inter Cars Piese Auto s.r.l.	94	3	-	-
Inter Cars Greece	9,253	2,078	463	51
Inter Cars d o.o. (Bosnia)	141	-	-	-
Inter Cars United Kingdom - AUTOMOTIVE TECHNOLOGY LTD.	3,279	4,286	-	-
Inter Cars Fleet Services Sp. z o.o.	10,587	-	1,006	-
JAG Sp. z o.o.	542	-	3,566	-
	519,329	374,653	324,327	287,091

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

	Receivables as at		Liabilities as at	
	31/03/2021	31/12/2020	31/03/2021	31/12/2020
Inter Cars Ukraine LLC	85,423	76,634	-	-
Lauber Sp. z o.o.	31,619	31,749	23,669	13,252
Inter Cars Ceska Republika s.r.o.	44,160	49,899	144	-
Inter Cars Slovenska Republika s.r.o.	49,155	39,348	177	37
Feber Sp. z o.o.	111	65	17,338	13,333
Inter Cars Lietuva UAB	49,433	46,045	40	19
Inter Cars Italia srl	(3,439)	(3,047)	897	850
Inter Cars d.o.o.	152,283	145,252	756	108
JC Auto S.A.	-	22	-	-
Inter Cars Hungária Kft.	83,308	43,746	114	(1)
Inter Cars Romania s.r.l.	280,099	274,938	59	923
Inter Cars Latvija SIA	45,646	41,459	80	12
Inter Cars Cyprus Ltd.	-	-	4	4
Cleverlog-Autoteile GmbH	3,561	1,427	-	-
Inter Cars Bulgaria Ltd.	99,864	119,430	116	44
Inter Cars Marketing Services Sp. z o.o.	(3)	37	137,938	119,678
ILS Sp. z o.o.	90	2,980	72,567	40,258
Inter Cars Malta Holding Limited	-	-	(21)	(21)
Inter Cars Malta Limited	(7)	(7)	151,188	112,820
Q-Service Truck Sp. z o.o.	138	31	2,715	6,534
Inter Cars Slovenia	2,997	3,382	43	72
Inter Cars Eesti OÜ	3,564	3,264	125	185
Q-Service Sp. z o.o.	1	191	37,568	23,841
ILS Latvijas filialie	59	71	-	-
IC Development & Finance Sp. z o.o.	78	78	1,728	1,727
Armatus sp. z o.o.	1	-	(342)	(342)
Inter cars PIESE Auto s.r.l.	(91)	(88)	11	11
Inter Cars Greece	21,084	15,884	662	190
InterMeko Europe Sp. z o.o.	2	1	42	-
Inter Cars d.o.o. (Bosnia)	527	377	399	396
Inter Cars d.o.o. Beograd	358	354	-	-
JAG Sp. z o.o.	404	433	1,170	933
Inter Cars Fleet Services Sp. z o.o.	44,418	31,396	5,876	4,648
Inter Cars United Kingdom - AUTOMOTIVE TECHNOLOGY LTD.	2,599	3,202	-	-
Gross	997,442	928,553	455,063	339,515
Reserves for returns	(58,967)	(64,631)	-	-
Net	938,475	863,922	455,063	339,515

Settlements on loans and borrowings

	31/03/2021	31/12/2020
<i>Receivables from subsidiaries</i>		
Lauber Sp. z o.o.	8,766	8,766
IC Development & Finance Sp. z o.o.	17,863	17,848
Q-Service Truck sp z o.o.	5,258	2,555
Inter Cars Malta	-	1
Inter Cars d.o.o. Beograd Rakovica	969	955
JAG Sp z o.o.	2,005	2,003
Inter Cars Fleet Services Sp. z o.o.	3,261	3,239
Gross receivables on loans	38,122	35,367
<i>Liabilities towards subsidiary companies on loans</i>		
Inter Cars Cyprus Ltd.	82,394	81,590
	82,394	81,590

4. Contingent liabilities and sureties

Sureties and guarantees granted by Inter Cars S.A. as at 31 March 2021 amounted in total to: PLN 319,499 thousand.

In the first quarter of 2021, 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.