CAPITAL GROUP OF
INTER CARS S.A.

Interim report
for the period from 1 January to 30 June 2022

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Statement of the members of the Management Board

In compliance with the requirements laid down in the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent information required by the law of a non-Member State, dated 29 March 2018, the Management Board of Inter Cars S.A. hereby represents as follows:

- Interim condensed consolidated financial statements and interim condensed separate financial statements drawn up for the period from 1 January 2022 to 30 June 2022 and comparable data were prepared, according to its best knowledge, in accordance with the existing accounting principles, and that they give a true and fair view of the assets and liabilities and financial position of the Inter Cars S.A. Capital Group and Inter Cars S.A., respectively, as well as their financial result.

- The comments to the interim report constituting an interim report on the activities of the Inter Cars Group gives a true and fair view of the development, achievements and situation of the Inter Cars Group, including description of basic threats and risks.

- PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp.k., an entity authorized to audit financial statements, which reviewed the condensed interim consolidated financial statements of the Inter Cars Group and the condensed interim separate financial statements of Inter Cars S.A. was appointed in accordance with the provisions of law, and that this entity and the statutory auditor that performed the audit met the requirements entitling them to release an objective and independent audit report in compliance with the existing law.

Maciej Oleksowicz
President of the Management Board

Krzysztof Soszyński
Vice-President of the Management Board

Wojciech Twaróg
Member of the Management Board

Piotr Zamora
Member of the Management Board

Selected consolidated financial data of the Inter Cars Group

	for the period of 6 months ended on		*for the period of 6 months ended on*	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	in thousand PLN	in thousand PLN	EUR '000	EUR '000
Information on growth and profits				
Sales margin	31.0%	30.2%		
EBITDA (for 12 consecutive months)	1,130,163	807,696	243,428	177,625
Net debt / EBITDA	1.60	1.32		
Basic earnings per share (PLN)	22.93	19.63	4.94	4.32
Diluted earnings per share (PLN)	22.93	19.63	4.94	4.32
Operating profit	444,361	359,468	95,712	79,053
Net profit	**324,901**	**278,101**	**69,981**	**61,159**
Cash flows				
Operating cash flows	(294,370)	98,947	(63,405)	21,760
Investing cash flows	(71,902)	(25,433)	(15,487)	(5,593)
Financing cash flows	382, 892	(24,553)	82,472	(5,400)
Employment and branches				
Employees				
Parent company	819	692		
Subsidiaries	3,006	2,619		
Branches				
Parent company	241	242		
Subsidiaries	354	327		

	As at		**As at**	
	30/06/2022	**31/12/2021**	**30/06/2022**	**31/12/2021**
Consolidated statement of the financial situation	in thousand PLN	in thousand PLN	EUR '000	EUR '000
Cash and cash equivalents	257,286	240,665	54,969	52,325
Balance sheet total	7,916,060	6,282,666	1,691,249	1,365,975
Loans, borrowings and finance lease	2,060 433	1,480,349	440,207	321,857
Equity attributable to the shareholders of the parent entity	3,402,458	3,089,684	726,928	671,758

The EBITDA ratio is calculated as the total of the operating profit and depreciation for the reporting period.

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

- for the statement of financial position items – the National Bank of Poland exchange rate of 30 June 2022 – EUR 1 = PLN 4.6806, and the National Bank of Poland exchange rate of 30 June 2021 – EUR 1 = PLN 4.5208, and the National Bank of Poland exchange rate of 31 December 2021 - EUR 1 = PLN 4,5994.
- for the comprehensive income and cash flow statement items – an exchange rate constituting the average National Bank of Poland exchange rate announced on the last day of each month of the first 6 months of 2022 and 2021, respectively: 1 EUR = PLN 4.6427 and 1 EUR = PLN 4.5472 PLN.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE INTER CARS GROUP

Consolidated statement of the financial situation

(in thousand PLN)	no.	30/06/2022	31/12/2021	30/06/2021*
ASSETS	**notes**			Transformed data
Non-current assets				
Tangible fixed assets		495,315	473,236	472,073
Right-of-use assets		293,272	234,977	252,598
Investment property		4,966	2,973	3,133
Real estate available for sale		-	8,078	8,721
Intangible assets		193,114	191,787	190,109
Investments in associates	3.3	2,666	2,037	1,655
Investments available for sale		298	298	299
Receivables		29,829	25,210	24,127
Financial sub-lease receivables		226,896	228,500	210,723
Deferred tax assets	3.12	22,649	16,200	29,946
		1,269 005	**1,183,296**	**1,193 384**
Current assets				
Inventory	3.4	4,273,511	3,112 013	2,817,736
Trade and other receivables	3.5	2,042,951	1 669,278	1,470 667
Financial sub-lease receivables	3.5	73,307	77,414	69,375
Cash and cash equivalents		257,286	240,665	282,767
		6,647,055	**5,099,370**	**4,640,545**
TOTAL ASSETS		**7,916 060**	**6,282,666**	**5,833,929**
LIABILITIES				
Share capital	3.6	28,336	28,336	28,336
Share premium account	3.6	259,530	259,530	259,530
Other supplementary capitals		2,077 792	1,615,749	1,623 417
Foreign exchange gains /losses in subsidiaries		12,367	4,375	(17,167)
Retained earnings		1,024,433	1,181,694	752,547
Equity		**3,402,458**	**3,089,684**	**2,646 663**
Long-term liabilities				
Liabilities due to credits, loans	3.8	686,049	580,792	585,630
Other lease liabilities	3.8	266,714	201,536	229,697
Liabilities due to lease transformed into sub-lease		226,896	228,500	210,723
Other long-term liabilities		5,308	7,832	4,916
Deferred income tax provision	3.12	4,454	57,272	4,938
		1,189 421	**1,075,932**	**1,035 904**
Short-term liabilities				
Trade and other liabilities		1,844,199	1,124,302	1,347 867
Trade and other liabilities - passed for factoring		151,332	110,076	101,587
Liabilities due to credits, loans	3.8	1,037 400	643,027	484,537
Other lease liabilities	3.8	70,270	54,994	50,303
Liabilities due to lease transformed into sub-lease		73,307	77,414	69,375
Employee benefits		39,026	28,047	31,706
Income tax liabilities		108,647	79,190	65,987
		3,324 181	**2,117 050**	**2,151,362**
TOTAL LIABILITIES		**7,916 060**	**6,282,666**	**5,833,929**

*****data as at 30.06.2021 are presented on a voluntary basis to show the impact of the change in presentation described in note 2.3 on the latest published half-yearly figures for the period ended 30.06.2021.

Consolidated statement of comprehensive income

(in thousand PLN)		for 3 months ended on 30 June Not reviewed data		for 6 months ended on 30 June	
		2022 unaudited	*2021 unaudited*	*2022 unaudited*	*2021 unaudited*
Continued activity	No. notes				
Revenues from the sale of products, goods and materials		3,751,250	3,025,548	6,994,559	5,582,066
Cost of sales		(2,591,199)	(2,112,282)	(4,825,341)	(3,897,114)
Gross profit on sales		**1,160,051**	**913,266**	**2,169,218**	**1,684,952**
Other operating revenue		15,926	3,805	30,480	10,981
Selling cost, general and administrative expenses		(488,219)	(386,253)	(934,207)	(725,121)
Costs of distribution service		(381,896)	(310,990)	(714,084)	(586,146)
Other operating expenses		(21,982)	(13,472)	(107,046)	(25,198)
Operating profit		**283,880**	**206,356**	**444,361**	**359,468**
Financial income		7,045	3,965	13,145	7,278
Foreign exchange gain/loss		(1,131)	3,086	(1,746)	4,714
Financial costs		(28,850)	(11,323)	(49,069)	(23,895)
Interest in associates		189	-	189	-
Profit before tax		**261,133**	**202,084**	**406,880**	**347,565**
Income tax	3.13	(51,994)	(40,090)	(81,979)	(69,464)
Net profit		**209,139**	**161,994**	**324,901**	**278,101**
Attributable to:					
shareholders of the parent company		209,139	161,994	324,901	278,101
		209,139	**161,994**	**324,901**	**278,101**
OTHER COMPREHENSIVE INCOME					
Foreign exchange gains /losses		940	(16,606)	7,992	(6,815)
Total other comprehensive income, net		**940**	**(16,606)**	**7,992**	**(6,815)**
COMPREHENSIVE INCOME		**210,079**	**145,388**	**332,893**	**271,286**
Net profit attributable to:					
- the shareholders of the parent entity		209,139	161,994	324,901	278,101
		209,139	**161,994**	**324,901**	**278,101**
Comprehensive income attributable to:					
- the shareholders of the parent entity		210,079	145,388	332,893	271,286
		210,079	**145,388**	**332,893**	**271,286**
Net profit		**209,139**	**161,994**	**324,901**	**278,101**
Weighted-average number of ordinary shares (in pieces)		**14,168,100**	**14,168,100**	**14,168,100**	**14,168,100**
Earnings per ordinary share (in PLN)		**14.76**	**11.43**	**22.93**	**19.63**
Weighted-average diluted number of ordinary shares (in pieces)		**14,168,100**	**14,168,100**	**14,168,100**	**14,168,100**
Diluted earnings per ordinary share (in PLN)		**14.76**	**11.43**	**22.93**	**19.63**

Consolidated statement of changes in equity

for the period from 01 January 2022 to 30 June 2022 (unaudited)

(in thousand PLN)	Note no.	Share capital	Share premium account	Supplementary capital	Foreign exchange gains /losses in subsidiaries	Retained earnings	**Total equity**
As at 1 January 2022		**28,336**	**259,530**	**1,615,749**	**4,375**	**1,181 694**	**3,089 684**
Profit in the reporting period		-	-	-	-	324,901	**324,901**
Foreign exchange gains /losses in subsidiaries		-	-	-	7,992	-	**7,992**
Distribution of prior period profit – dividend	3.7	-	-	-	-	(20,119)	**(20,119)**
Distribution of retained profits - transfer to supplementary and reserve capital		-	-	462,043	-	(462,043)	**-**
As at 30 June 2022		**28,336**	**259,530**	**2,077 792**	**12,367**	**1,024 433**	**3,402 458**

for the period from 1 January 2021 to 31 December 2021

(in thousand PLN)	Share capital	Share premium account	Supplementary capital	Foreign exchange gains /losses in subsidiaries	Retained earnings	**Total equity**
As at 1 January 2021	**28,336**	**259,530**	**1,406 500**	**(10,352)**	**711,482**	**2,395,496**
Profit in the reporting period	-	-	-	-	699,580	**699,580**
Other comprehensive income						
Foreign exchange gains /losses in subsidiaries	-	-	-	14,727	-	**14,727**
Total comprehensive income	**-**	**-**	**-**	***14,727***	**699,580**	**714,307**
Distribution of prior period profit – dividend	-	-	-	-	(20,119)	***(20,119)***
Distribution of retained profits - transfer to supplementary and reserve capital	-	-	209,249	-	(209,249)	**-**
As at 31 December 2021	**28,336**	**259,530**	**1,615,749**	**4,375**	**1,181,694**	**3,089,684**

Consolidated statement of changes in equity (continuation)

for the period from 01 January 2021 to 30 June 2021 (unaudited)

(in thousand PLN)	Share capital	Share premium account	Supplementary capital	Foreign exchange gains /losses in subsidiaries	Retained earnings	**Total equity**
As at 1 January 2021	**28,336**	**259,530**	**1,406 500**	**(10,352)**	**711,482**	**2,395,496**
Profit in the reporting period	-	-	-	-	278,101	**278,101**
Foreign exchange gains /losses in subsidiaries	-	-	-	(6,815)	-	(6,815)
Distribution of prior period profit – dividend	-	-	-	-	(20,119)	***(20,119)***
Distribution of retained profits - transfer to supplementary and reserve capital	-	-	216,917	-	(216,917)	**-**
As at 30 June 2021	**28,336**	**259,530**	**1,623 417**	**(17,167)**	**752,547**	**2,646 663**

Consolidated statement of cash flows

(in thousand PLN)	**1/01/2022 – 30/06/2022**	**1/01/2021 – 30/06/2021**
Cash flows from operating activities		Transformed data
Profit before tax	406,880	347,565
Adjustments:		
Amortization and depreciation	71,008	64,462
Foreign exchange gains /losses	3,287	(2,556)
(Profit) /loss on the sale of property, plant and equipment	8,433	5,564
Net interest	42,267	18,365
Other adjustments, net	10,087	(5,163)
Operating profit before changes in the working capital	**541,962**	**428,236**
Increase (decrease) in inventories	(1,161,498)	(594,619)
Increase (decrease) in receivables	(381,431)	(368,118)
Change in financial sub-lease receivables	5,711	(4,537)
Change in short-term liabilities	818,387	735,758
Change in liabilities due to lease transformed into sub-lease	(5,711)	4,537
Cash generated by operating activities	**(182,580)**	**201,257**
Corporate income tax paid	(111,789)	(102,310)
Net cash from operating activities	**(294,369)**	**98,947**
Cash flow from investment activities		
Proceeds from the sale of intangible assets, investment property, property, plant and equipment	1,226	722
Acquisition of intangible assets, investment property, and property, plant and equipment	(71,110)	(25,934)
Cost of acquisition of shares in other entities	(896)	-
Repayment of loans granted	1,639	1,716
Loans granted	(3,119)	(2,059)
Interest received	358	122
Net cash from investing activities	**(71,902)**	**(25,433)**
Cash flow from financing activities		
Revenues under credits, loans and debt securities	523,482	64,133
Repayments of credits, loans and debt securities	(29,424)	(13,493)
Financial lease contracts liabilities	(68,541)	(56,706)
Interest paid	(42,625)	(18,487)
Net cash from financing activities	**382,892**	**(24,553)**
Net change in cash and cash equivalents	**16,621**	**48,961**
Cash and cash equivalents at the beginning of the period	**240,665**	**233,806**
Cash and cash equivalents at the end of the period	**257,286**	**282,767**

Explanatory notes to the interim condensed financial statements for the period of 6 months ended on 30 June 2022

1. 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:

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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

Wojciech Twaróg

Piotr Zamora

Statutory auditor

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.

Ul. Polna 11; 00-633 Warsaw

(in thousand PLN)

1.1. 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 June 2022 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 2021 are available at www.intercars.com.pl in Investor Relations tab.

As at 30 June 2022, the following entities comprised the Inter Cars Capital Group: Inter Cars S.A. as the parent entity, and 35 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.

Name of entity	Registered seat	Scope of activities	Consolidation method	% of the Group's share in the share capital	
				30/06/2022	30/06/2021
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	
				30/06/2022	30/06/2021
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%
Inter Cars Belgium NV (formerly JC Auto S.A.)	Hasslt, 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%

(in thousand PLN)

1.1. Composition of the Capital Group (cont.)

Name of entity	Registered seat	Scope of activities	Consolidation method	% of the Group's share in the share capital	
				30/06/2022	30/06/2021
Inter Cars d.o.o.	Zagreb (Grad Zagreb), 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 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%
OOO Inter Cars Automobilna Technika*	Mogilev, Belarus	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Norge AS**	Oslo, Norway	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	-

(in thousand PLN)

1.1. Composition of the Capital Group (cont.)

Name of entity	Registered seat	Scope of activities	Consolidation method	% of the Group's share in the share capital	
				30/06/2022	30/06/2021
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%
Associated entities					
InterMeko Europe Sp. z o.o.	Warsaw, Poland	Control and assessment of spare parts, components and accessories	equity method	50%	50%

* The Company has not started operating activities, not consolidated in 1H2022, company shares were impaired in June 2022.

** The Company acquired in August 2021, has not started operating activities yet, not consolidated in 1H2022.

*** 99.98% shares held by subsidiary company Inter Cars Malta Holding Limited, Inter Cars Cyprus Limited holds 1 share

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

On 30 May 2022, the subsidiary CB Dystrybucja Sp. z o.o., whose business was point of sale management, was sold.

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.

2. Information about the accounting principles applied in the preparation of the condensed interim consolidated financial statements

2.1. Declaration of compliance with IFRS

The condensed interim consolidated financial statements of the Inter Cars Capital Group were prepared for the period of 6 months ended on 30 June 2022.

The condensed interim financial statements covering first half of 2022 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 form the Management Board to use its own judgement with regard to application of the accounting standards adopted by the Group. The areas that require a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are presented in Note 2.4

Interim condensed consolidated financial statement of Inter Cars S.A. Capital Group prepared for the period of 6 months ended on 30 June 2022 with explanatory notes to interim condensed financial statements and half-year financial information of Inter Cars S.A. for 1H 2022 was approved by the Board of Managers for publication on 07 September 2022.

2.2. Basis for preparing the condensed interim consolidated financial statements

With the exception of the changes described in "Changes to the accounting principles," these condense 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 2021.

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.

2.3. Changes to the accounting principles

Starting with the 2021 annual report, the Group's management decided to change the presentation of trade discounts due from suppliers, remaining to be settled in a future period. The described change in accounting policy took place in the 2021 annual consolidated financial statements. Only the impact of the applied change in accounting policy on the previously published interim figures as at 30 June 2021 is presented below. The change in presentation principles is detailed in the 2021 annual consolidated financial statements in note 3.2 'Change in presentation'.

The impact of the change in presentation in previously reported consolidated statement of financial position as at 30 June 2021 and in the consolidated statement of cash flows for the period ended 30 June 2021 is presented in the table below:

Consolidated statement of the financial situation

(in thousand PLN)	**30/06/2021** *before change*	*change*	**30/06/2021** *after change*
ASSETS			
Trade and other receivables	1,168 289	302,378	1,470 667
Current assets	**4,338 167**	**302,378**	**4,640,545**
TOTAL ASSETS	**5,531,551**	**302,378**	**5,833,929**
Short-term liabilities			
Trade and other liabilities	1,045 489	302,378	1,347 867
	1,848 984	**302,378**	**2,151,362**
TOTAL LIABILITIES	**5,531,551**	**302,378**	**5,833,929**

Consolidated statement of cash flows

(in thousand PLN)	**30/06/2021** *before change*	*change*	**30/06/2021** *after change*
Change in trade and other receivables	(230,241)	(137,877)	(368,118)
Change in trade and other liabilities	597,881	137,877	735,758
Cash from operating activities	**201,257**	**-**	**201,257**
Net cash from operating activities	**98,947**	**-**	**98,947**

The change in presentation had no impact on net profit for 1H2021 nor on basic and diluted earnings per share.

2.4. Change in naming of balance sheet items

The following balance sheet items have been renamed in the current financial statements:

- the previous line „Finance lease liabilities" has been replaced by „Other lease liabilities"
- the previous line „Non-current liabilities on long-term rental" has been replaced by „Liabilities due to lease transformed into sub-lease"
- the previous line „Liabilities on the short-term rental" has been replaced by „Liabilities due to lease transformed into sub-lease"
- the previous line „Non-current receivables on long-term rental" has been replaced by „Financial sub-lease receivables"
- the previous line „Receivables on short-term rental" has been replaced by „Financial sub-lease receivables"

The change made is only intended to clarify the naming of balance sheet items, without adjusting the value or presentation of the statement.

In connection with the change in the names of the balance sheet items, the names of the items in the cash flow statement were also changed:

- the previous line „Increase (decrease) in receivables under rental" has been replaced by „Change in financial sub-lease receivables"

- the previous line „Change in liabilities under rental" has been replaced by „Change in liabilities due to lease transformed into sub-lease"

2.5. 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.

In the reporting period in question there were no important changes in judgements or estimates described in the annual consolidated financial statements for 2021.

2.6. Seasonality

The demand for spare parts is seasonal. Typically the high season is recorded in the second and third quarter of a year, and the beginning and the end of the year usually present weaker demand.

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.

2.7. The functional and the presentation currencies and the principles adopted to translate the financial data.

The presentation and the functional currencies

The functional currency of the parent company and the presentation currency of these condensed consolidated interim financial statements is the Polish zloty (PLN). The figures presented in these financial statements are expressed in thousands of PLN, unless indicated otherwise.

The principles adopted to translate the financial data

Translation into PLN of the financial statements of the foreign entities for the consolidation purposes:

– assets and liabilities - according to the exchange rate as at the end of the reporting period,

– statement of profit or loss or statement of other comprehensive income, as well as the statement of cash flows - according to the average exchange rate during the reporting period.

Foreign currency gains/losses resulting from the above-mentioned translation are recognized in equity as foreign exchange gains/losses from translation of foreign subsidiaries.

CURRENCY	Average exchange rate during the reporting period		Exchange rate at the end of the reporting period	
	6 months 2022	6 months 2021	30/06/2022	31/12/2021
EUR/PLN	4.6427	4.5472	4.6806	4.5208
CZK/PLN	0.1884	0.1758	0.1892	0.1733
HUF/PLN	0.0123	0.0127	0.0118	0.0128
HRK/PLN	0.6148	0.6028	0.6217	0.6035
RON/PLN	0.9385	0.9264	0.9466	0.9174
BGN/PLN	2.3737	2.3249	2.3931	2.3114
UAH/PLN	0.1449	0.1364	0.1467	0.1396
MDL/PLN	0.2293	0.2135	0.2325	0.2108
BAM/PLN	2.3596	2.3196	2.3874	2.3058
GBP/PLN	5.4971	5.2494	5.4429	5.2616
RSD/PLN	0.0394	0.0387	0.0399	0.0384

(in thousand PLN)

The average exchange rate during the reporting period is calculated as the average NBP exchange rate applicable on the last day of each month of the first six months of 2022 and 2021.

2.8. Information on business segments

The core business of the Inter Cars S.A. Capital Group is the sale of spare parts. In the current reporting period, sales of spare parts made by the company in Ukraine were additionally disclosed within this segment. The reason for the additional disclosure in the presentation of the operating segments is the different economic and business situation in the war zones. The consequences of Russia's invasion of Inter Cars Ukraine are described in detail in Note 3.1 "Impact of the geopolitical situation in Ukraine on the Capital Group" of these financial statements. In addition, the other companies in the Group, i.e.: 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., ILS Sp. z o.o. and Inter Cars Fleet Services, are active in other business segments, such as: the manufacturing of semi-trailers, remanufacturing of spare parts, real estate development, marketing services, logistics services and providing fleet services related to vehicle repairs, 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 these financial statements.

Transactions between particular segments are carried out at arm’s length.

Revenues and financial result by operating segments

for the period of 6 months ended on 30 June 2022

	Sale of spare parts	Sale of spare parts in Ukraine	Other segments	Eliminations	Total
External sales	6,617,678	189,177	187,704	-	6,994,559
Inter-segment sales	3,070	-	385,233	(388,303)	-
Profit before tax	**519,559**	**(53,804)**	**24,039**	**(82,914)**	**406,880**

for the period of 6 months ended on 30 June 2021

	Sale of spare parts	Sale of spare parts in Ukraine	Other segments	Eliminations	Total
External sales	5,227 943	254,391	99,732	-	5,582 066
Inter-segment sales	2,213	-	293,701	(295,914)	-
Profit before tax	**345,844**	**20,319**	**6,409**	**(25,007)**	**347,565**

Exclusions apply to transactions of sale of commodities and services between companies that belong to different operation segments.

Assets by operating segments

	Status as at 30 June 2022	Status as at 31 December 2021
Sale of spare parts segment	10,576 450	8,450 362
Sale of spare parts segment in Ukraine	138,071	201,974
Other segments	679,256	576,450
Eliminations	(3,477,717)	(2,946,120)
	7,916,060	**6,282,666**

(in thousand PLN)

Liabilities by operating segments

	Status as at 30 June 2022	Status as at 31 December 2021
Sale of spare parts segment	6,650 908	4,928 950
Sale of spare parts segment in Ukraine	117,362	125,634
Other segments	256,088	170,927
Eliminations	(2,493,815)	(2,032,528)
	4,530,543	**3,192,983**

3. Other amounts

3.1. Impact of the geopolitical situation in Ukraine on the Capital Group

On 24 February 2022, the Russian Federation (Russia) launched military action against Ukraine. Transport and logistics between regions were disrupted, infrastructure was significantly damaged and many Ukrainian citizens were affected by the hostilities.
During the first weeks of the Russian invasion, Inter Cars Ukraine, based in Khmelnytskyi, Ukraine, in which the Company holds a 100% stake, had to suspend its operational activities. On 1 April 2022, the central warehouse of Inter Cars Ukraine was destroyed as a result of the hostilities. The was located in Kiev region, in Gorenka village, in Bucha region. As a result of the above, the Company made a write-down for the assets located in the above mentioned central warehouse, including inventories and fixed assets, in the total amount of PLN 75 million.

Since the first moments of the invasion, the Capital Group has been involved in various aid actions, in particular humanitarian aid and assistance offered to the employees of the Ukrainian company and their families, which is described in the "Report of the Management Board on the activities of Inter Cars S.A. and the Inter Cars Capital Group for the year ended 31 December 2021".

Prior to the hostilities, Inter Cars Ukraine's 2021 revenue was approximately PLN 580.2 million, which accounted for approximately 4.82% of the Company's 2021 consolidated revenue.

At the beginning of May, hostilities moved largely to the east of Ukraine and Inter Cars operations resumed in relatively remote regions of the country, away from the ongoing hostilities. There are currently 37 branches out of 38 in operation.
The Company's Management Board developed a safe way of delivering goods to the western regions of Ukraine, using the existing warehouse infrastructure and at the same time increasing the number of direct deliveries from the central warehouse in Zakroczym, Poland. The high availability of goods and the wide product range translated into a gradual increase in sales of Inter Cars Ukraine. At present, Inter Cars Ukraine realises sales at the level of approximately 75% of sales from the same period last year. In the first half of 2022, sales of Inter Cars Ukraine amounted to PLN 189.2 million. In the current reporting period, Inter Cars Ukraine generated a loss of PLN 54 million. It should be noted that the result takes into account an impairment loss of PLN 75 million, which relates to assets located in a warehouse in Kiev that was destroyed as a result of warfare.

As at the date of approval of the financial statements, Inter Cars Ukraine continues to operate in Ukraine, is actively selling and the Company's operations do not constitute discontinued operations.

The assets of Inter Cars Ukraine amount to PLN 138 million, the majority of which are inventories of PLN 76 million and cash of PLN 35 million. The use and transfer of cash in Ukraine is not restricted or subject to any restrictions, therefore the Company's cash is reported under the balance sheet item 'Cash and cash equivalents'. The Company's payables amount to PLN 117 million, with trade payables to external suppliers amounting to PLN 22 million and their balance being settled on an ongoing basis.

The Company analysed the estimate of the allowance for expected credit losses in respect of trade receivables from Ukrainian customers and cash held in banks in Ukraine. An increased level of risk was applied in the expected credit loss model in valuation of the assets. As a result of this analysis, no significant change in the value of the tested assets was identified. Furthermore, the impact of the valuation of the examined assets, due to their low share in the Group's assets, is insignificant.

(in thousand PLN)

The assets of Inter Cars Ukraine are located primarily in the central and western regions of Ukraine in 37 different locations. The diversification of the location of assets makes it possible to limit the scale of potential damage resulting from Russian aggression in Ukraine and, consequently, to reduce the risk of potential write-downs.

As at 30 June 2022, the Ukrainian company continues to operate and the Group controls the Ukrainian company and consolidates it using the full method in the financial statements. The Group performed an impairment test on the assets related to the goodwill of Inter Cars Ukraine. No impairment was identified based on the above mentioned test.
The Group's Management Board is monitoring the Ukrainian company's operations on an ongoing basis and further actions will be taken by the Management Board in accordance with the developments and risks related to the armed conflict.

3.2. Property, plant, equipment and intangible assets

In 1H of 2022, the Group purchased property plant and equipment as well as intangible assets of a total value of PLN 71,110 thousand, of which Inter Cars' investments accounted for PLN 29,051 thousand.
Whereas in 1H of 2021, the Group purchased property plant and equipment as well as intangible assets of a total value of PLN 25,934 thousand, of which Inter Cars' investments accounted for PLN 6,593 thousand.

3.3. Investments in related entities

Investments in subordinated entities as at 31/12/2021	**2,037**
Increases	**1,080**
- share in results of Intermeko	*189*
- increase in share capital in Partslife International Kft	*891*
Decrease, including:	**451**
- impairment of shares in OOO Inter Cars Automobilna Technika	*451*
Investments in subordinated entities as at 30/06/2022	**2,666**

3.4. Inventory

	30/06/2022	**31/12/2021**
Materials	66,622	48,586
Half-products and work in progress	7,629	6,020
Finished goods	10,764	3,777
Merchandise	4,188,496	3,053 630
	4,273 511	**3,112 013**
Merchandise	4,197 163	3,064 245
Revaluation write-downs on goods	(8,667)	(10,615)
	4,188 496	**3,053 630**

A revaluation write-down on goods in the holding entity Inter Cars S.A. as at 30 June 2022 amounted to PLN 1,971 k and did not change compared with 31 December 2021.

3.5. Trade and other receivables

	30/06/2022	**31/12/2021**
Trade receivables	1,271 366	1,102 355
Receivables from suppliers	408,851	407,661
Taxes, subsidies, customs, social security, health insurance and other benefits receivable	253,886	89,361
Loans granted	1,408	3,490
Other receivables and accrued expenses	132,406	90,352
Short term trade and other receivables – gross	**2,067 917**	**1,693 219**
Revaluation write-down on receivables	**(24,966)**	**(23,941)**
Short-term trade and other receivables – net	**2,042 951**	**1,669 278**

(in thousand PLN)

Change in impairment loss on trade receivables

	1.01.2022 - 30.06.2022	1.01.2021 - 31.12.2021
Status as at the beginning of the period	(23,941)	(30,920)
Increase	(1,025)	(1,938)
Used	-	8,917
Status as at the end of the period	**(24,966)**	**(23,941)**

Revaluation write-down on receivables in the Parent Entity Inter Cars S.A. amounted to PLN 17,743 thousand as at 30 June 2022, and was higher by PLN 1,017 thousand compared to 31 December 2021.

Compared to 31 December 2021, there were no significant changes to the Group's credit risk management policy.

3.6. Equity

Equity includes funds and capital reserves created in accordance with the applicable laws and regulations, i.e. statutory provisions and provisions of the Company's Articles of Association.

The share capital comprises 14,168,100 shares with the total par value of PLN 28,336,200. Its amount remained unchanged in the reporting period. The share premium account also remained unchanged at PLN 259,530,475.

3.7. Dividend

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

On 29 April 2022, the Company's Management Board passed a resolution to accept the Board's motion for the distribution of the 2021 profit, in conformity with which the Board shall motion for the distribution of the 2021 profit in such a way, that from the net profit of PLN 482,162,138.66 for 2021, 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 462,043,436.66 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 2022 and pay-out of the dividend for 14 July 2022.

The Company's Supervisory Board acknowledged and approved the Management Board's motion of 29 April 2022 regarding the distribution of the 2021 profit and recommended that the Company's Shareholders Meeting adopt a resolution on distributing the 2021 profit in conformity with the Management Board's motion.

On 31 May 2022, the Ordinary General Shareholders' Meeting of the Company, upon request of the Management Board in this regard, which was approved by the Supervisory Board, adopted a resolution on the distribution of profit for the financial year 2021, according to which the profit generated in 2021 shall be distributed in such a way that from the net profit generated in 2021 in the amount of PLN 482,162,138.66, the amount of PLN 20,118,702, i.e. PLN 1.42 per share, will be paid to shareholders as dividend, while the remaining part of the profit in the amount of PLN 462,043,436.66 will be allocated to the reserve capital. In addition, the Annual General Shareholders' Meeting of the Company set the dividend date at 30 June 2022 and the dividend payment date at 14 July 2022.

The dividend was paid out on 14 July 2022.

3.8. Liabilities due to borrowings and other debt instruments

Non-current	**30/06/2022**	**31/12/2021**
Secured bank loans	686,049	573,872
Finance lease liabilities	493,610	436,956
	1,179 659	**1,010 828**

Current	**30/06/2022**	**31/12/2021**
Secured bank loans	1,037 400	650,488
Finance lease liabilities	143,577	124,947
	1,180 977	**775,435**

(in thousand PLN)

The syndicated credit facility agreement

The credit conditions for term loans and revolving credits are described in the annual consolidated financial statements of the Group ended on 31 December 2021.

Bank credits concluded directly by subsidiary companies

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

The credit facility bears interest at a variable rate, depending on WIBOR, ROBOR, EURIBOR, PRIBOR rates, increased by bank margins (determined at arm's length) for each individual interest period.

Source of finance	Interest rate
Syndicated loan agreement	
Bank Pekao S.A	WIBOR 1M / EURIBOR 1M+ bank margin
CaixaBank S.A.	WIBOR 1M / EURIBOR 1M+ bank margin
Bank Handlowy w Warszawie S.A.	WIBOR 1M / EURIBOR 1M+ bank margin
DNB Bank Polski S.A	WIBOR 1M / EURIBOR 1M+ bank margin
Bank BGŻ BNP Paibas S.A.	WIBOR 1M / EURIBOR 1M+ bank margin
mBank S.A.	WIBOR 1M / EURIBOR 1M+ bank margin
ING Bank Śląski S.A.	WIBOR 1M / EURIBOR 1M+ bank margin
Source of finance	Interest rate
Raiffeisenbank a.s. Czech	PRIBOR 1M + bank margin
ING Bank N.V Romania	ROBOR 1M + bank margin
SKB banka d.d. Slovenia	Fixed bank margin
Raiffeisenbank EAD Bulgaria	EURIBOR 1M + bank margin
Intesa Sanpaolo Banka d.d. Bosnia	Fixed bank margin

As at the balance sheet date and till the approval of the financial statements there was no breach of covenants stipulated in credit loan agreements concluded by the parent entity and related entities.

The Management Board analysed the impact of the existing situation caused by the ongoing armed conflict in Ukraine on the terms of the syndicated loan agreement. In the opinion of the Board of Directors, at the present time, the operating activities carried out by Inter Cars Ukraine are stable and there are no indications of discontinuation. As at the date of approval for publication of these financial statements, the necessary condition, included in the syndicated loan agreement, regarding the continuation of the operations of Inter Cars Ukraine remains fulfilled.

Loans and borrowings as at 30/06/2022

Current loans and borrowings at nominal value	Contractual amount (limit)	Used	Maturity date
Syndicated credit	**1,122,374**	**916,457**	12/11/2022
Inter Cars S.A.		893,625	
Inter Cars Slovenska Republika s.r.o.		10,421	
Lauber Sp. z.o.o.		12,411	
ING Bank N.V. (Inter Cars Romania s.r.l.)	**66,262**	**51,794**	11/11/2022
Raiffeisen a.s. (Inter Cars Česká republika s.r.o)	**37,840**	**15,838**	28/02/2023
SKB Banka (ICSI - Inter Cars INT D o.o.)	**14,042**	**13,340**	08/12/2022
Raiffeisenbank (Bulgaria) EAD (Inter Cars Bulgaria Ltd)	**46,806**	**40,727**	30/10/2022
	1,287,324	**1,038,156**	

(in thousand PLN)

Non-current loans and borrowings at nominal value	Contractual amount (limit)	Used	Maturity date
Syndicated credit	721,814	678,814	14/11/2024
Intesa Sanpaolo Banka d.d. (Inter Cars d o.o. Bosnia and Herzegovina)	9,573	7,640	15/04/2024
	731,387	**686,454**	

Loans and borrowings as at 31/12/2021

Current loans and borrowings at nominal value	Contractual amount (limit)	Used	Maturity date
Syndicated credit	**1,000,374**	**530,521**	12/11/2022
Inter Cars S.A.		495,106	
Inter Cars Slovenska Republika s.r.o.		25,715	
Lauber Sp. z.o.o.		9,700	
ING Bank N.V. (Inter Cars Romania s.r.l.)	**65,051**	**46,592**	11/11/2022
Raiffeisen a.s. (Inter Cars Česká republika s.r.o)	**28,398**	**23,346**	30/04/2022
SKB Banka (ICSI - Inter Cars INT D o.o.)	**13,798**	**9,659**	08/12/2022
Raiffeisenbank (Bulgaria) EAD (Inter Cars Bulgaria Ltd)	**45,994**	**42,263**	30/10/2022
	1,153,615	**652,381**	

Non-current loans and borrowings at nominal value	Contractual amount (limit)	Used	Maturity date
Syndicated credit	643,814	565,500	14/11/2024
Intesa Sanpaolo Banka d.d. (Inter Cars d o.o. Bosnia and Herzegovina)	9,466	9,384	15/04/2024
	653,280	**574,884**	

In May 2022, Inter Cars Česká republika s.r.o Company signed an annex to the credit agreement, under which the credit limit has been increased to CZK 200 million, with maturity date on 28 February 2023.

3.9. Cash flow hedges

As at 30 June 2022, the Group did not have any open futures contracts serving as cash flow hedges.

3.10. Contingent liabilities, security and future liabilities (including those resulting from operating lease contracts)

Contingent liabilities, security and future liabilities, including those resulting from operating lease contracts, did not change significantly compared to those described in the financial statements prepared as at 31 December 2021.

Changes in sureties and guaranties

Status as at 31 December 2021	**10,142**
Increases (resulting from newly concluded guarantees)	156
Expired	186
Status as at 30 June 2022	**10,112**

3.11. Transactions with related entities

All transactions with related entities are executed at arm's length. The parent entity transacts with entities related to the members of the Supervisory Board and the Management Board and their family members.

Spółka P.H. AUTO CZĘŚCI Krzysztof Pietrzak is a company linked to the Vice-President of the Management Board of Inter Cars S. A., Krzysztof Soszyński, while FF-SPORT Sp. z o.o. is managed by President of the Management Board, Maciej Oleksowicz.

(in thousand PLN)

Moreover, Mr Krzysztof Oleksowicz, holding the position of Advisor of the Management Board, who is affiliated with Maciej Oleksowicz, – received in first half of 2022 remuneration amounting to PLN 480 thousand.

On 3 October 2021, the company "7000 obrotów sp. z o.o." was established - currently operating under the name: Race 7 sp. z o.o., by Mr Tomasz Ostrowski. The share capital amounts to PLN 5,000 and was fully covered by a cash contribution. Due to the low value of the Company, it is not consolidated.

The table below sets forth the value of the transactions.

	1.01.2022-30.06.2022	**1.01.2021-30.06.2021**
Transactions with related entities		
Income on sales to related entities	128	160
Purchase of goods and services from related entities	418	389

	30/06/2022	**31/12/2021**
Settlements with related entities		
Receivables from related entities	15	29
Liabilities to related entities	55	-

	1.01.2022-30.06.2022	**1.01.2021-30.06.2021**
remuneration of the members of the Supervisory Board and the Management Board		
Remuneration of the members of the Supervisory Board	312	269
Remuneration of the members of the Management Board	7,529	5,449
	7,841	**5,718**

3.12. Deferred tax

Change in deferred tax assets	**30/06/2022**	**31/12/2021**
As at beginning of period	105,152	92,922
Increase/ (decrease)	6,448	12,230
As at end of period	**111,600**	**105,152**

Change in deferred tax liabilities	**30/06/2022**	**31/12/2021**
As at beginning of period	146,223	94,826
(Termination)/creation in the period	(52,818)	51,397
As at end of period	**93,405**	**146,223**

	31/12/2021	**Effect on net profit**	**30/06/2022**
Deferred tax assets	105,152	6,448	111,600
Deferred tax liabilities	(146,223)	52,818	(93,405)
	(41,071)	**59,266**	**18,195**

Offsetting deferred income tax assets and provisions as at 30 June 2022.	**Assets**	**Provision**
Deferred tax assets/liabilities	111,600	(93,405)
Deferred tax offset against liabilities	(88,951)	88,951
Deferred tax liabilities as disclosed in the balance sheet	**22,649**	**(4,454)**

(in thousand PLN)

3.13. Income tax

Income tax recognised under current period profit or loss

	1.01.2022 - 30.06.2022	1/01/2021 – 30/06/2021
Current income tax	141,245	96,377
Change in deferred income tax	(59,266)	(26,913)
Income tax disclosed in statement of comprehensive income	**81,979**	**69,464**

Tax authorities are entitled to inspect books and accounting records. Within five years from the end of a year when a tax return is submitted, they may impose additional tax charges along with interest and other penalties. In the Management Board's opinion no circumstances occurred which could result in material liabilities on account of such charges, interest or penalties.

Pursuant to General Anti-Avoidance Rule (GAAR) of 15 July 2016, which is to prevent blatant, artificial or contrived arrangements which are directed at tax avoidance in Poland, the Bard of the parent entity considered the influence of transactions which could potentially be the subject of GAAR regulations, on the deferred tax, tax value of the assets and provision for tax risk. In the opinion of the Board, performed analysis did not indicate the need of correction of the items presented in the report on current and deferred corporate income tax, but in the opinion of the Board in case of the GAAR regulations there is inherent uncertainty that tax authorities might provide different interpretation of these regulations, change their approach to those interpretations or the GAAR regulations themselves might be amended, what might influence the possibility of realization of assets on the deferred corporate income tax in future periods and also result in possible need of payment of income tax for past periods.

3.14. 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.

Warsaw, 07 September 2022

Maciej Oleksowicz
President of the Management Board

Krzysztof Soszyński
Vice-President of the Management Board

Wojciech Twaróg
Member of the Management Board

Piotr Zamora
Member of the Management Board

Julita Pałyska
Chief Accountant

MANAGEMENT BOARD'S REPORT ON THE ACTIVITIES OF THE CAPITAL GROUP

1. Organizational structure of the Inter Cars Group, including entities subject to consolidation

The parent company, Inter Cars S.A. (hereinafter referred to as "the Company" / "the parent entity") is registered in Poland. The abridged interim consolidated financial statements of the Inter Cars S.A. Capital Group for the period from 1 January to 30 June 2022 contain the details of the parent entity and its subsidiaries referred to as the Inter Cars S.A. Capital Group (hereinafter referred to as "the Group") and the Group's interest in related entity.

The financial statements of the following entities were subject to consolidation ("the Capital Group"):

- the parent entity: Inter Cars S.A., with its registered seat in Warsaw,
- subsidiaries: Inter Cars Ukraine LLC seated in Chmielnicki in Ukraine (100% held by Inter Cars S.A.), Lauber Sp. z o.o. seated in Słupsk (100%), Q-Service Sp. z o.o. seated in Cząstkow Mazowiecki (100%), Inter Cars Česká Republika seated in Prague (100%), Feber Sp. z o.o. seated in Warsaw (100%), Inter Cars Slovenska Republika seated in Bratislava (100%), Inter Cars Lietuva UAB seated in Vilnius (100%), IC Development & Finance Sp. z o.o. seated in Warsaw (100%), Armatus Sp. z o.o. seated in Warsaw (100%), Inter Cars Hungária Kft seated in Budapest (100%), Inter Cars Belgium NV (former JCAuto S.A. (Belgium)) seated in Hasslt (100%), Inter Cars d.o.o. seated in Zagreb (100%), Aurelia Auto d.o.o. seated in Vinkovci (100%), Inter Cars Italia s.r.l. seated in Pero (100%), Inter Cars Romania s.r.l. seated in Cluj-Napoca (100%), Inter Cars Cyprus Limited seated in Nicosia (100%), Inter Cars Latvija SIA seated in Mārupes nov., Mārupe (100%), Inter Cars Bulgaria seated in Sophia (100%), Cleverlog Autoteile GmbH seated in Berlin (100%), Inter Cars Marketing Services Sp. z o.o. seated in Cząstkow Mazowiecki (100%), ILS Sp. z o.o. seated in Swobodnia (municipality Zakroczym) (100%), Inter Cars Malta Holding Limited seated in Birkirkara (100%), Inter Cars Malta Limited seated in Birkirkara (99,98%), Q-service Truck Sp. z o.o. seated in Warsaw (100%), %), Inter Cars INT Trgovina z rezervnimi deli in opremo za motorna vozila d.o.o. Inter Cars INT d.o.o. seated in Ljubljana (100%), Inter Cars Eesti OÜ seated in Tallinn (100%), Inter Cars Moldavia seated in Kishiniow (100%), Inter Cars Greece seated in Ilioupoli Attiki (100%), Inter Cars d o.o. seated in Sarajevo (100%), Inter Cars United Kingdom - automotive technology Ltd. seated in Tipton (100%), Inter Cars d.o.o. Beograd-Rakovica seated in Belgrade-Rakovica (100%), Inter Cars Fleet Services Sp. z o.o. seated in Warsaw (100%) i Inter Cars Norge AS seated in Oslo (100%).

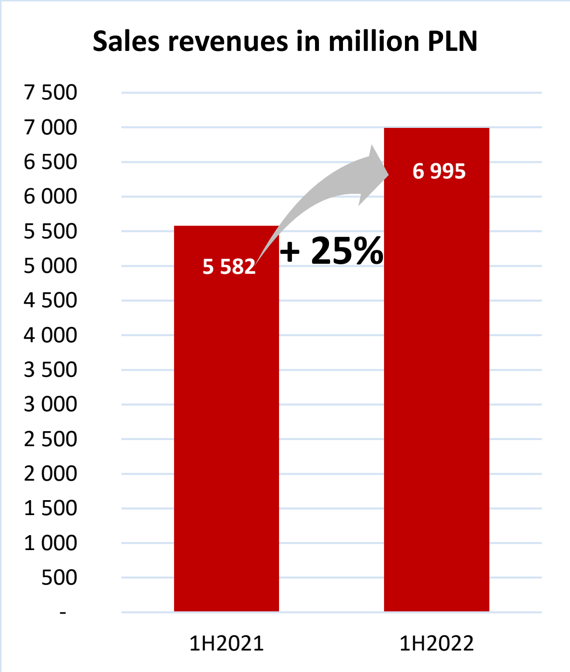
2. Basis of preparing the condensed interim consolidated financial statements

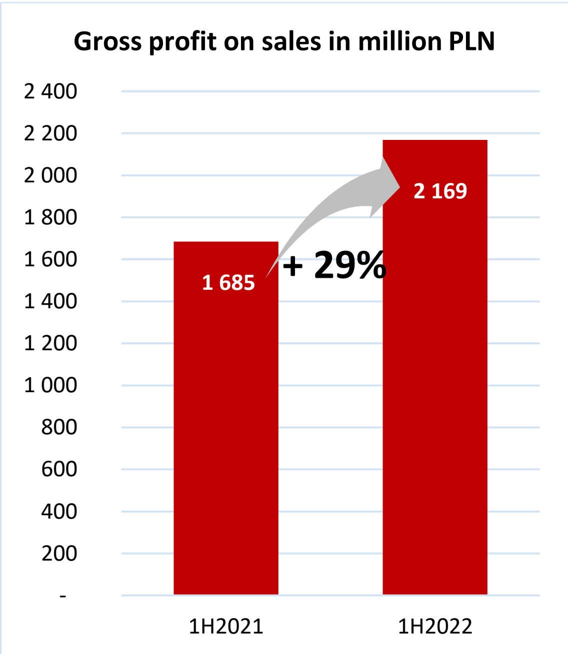
The condensed interim consolidated financial statements of the Inter Cars Capital Group were prepared for the period of 6 months ended on 30 June 2022.

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. These condensed interim financial statements should be read together with the annual consolidated financial statements.

3. Overview of the Group's operations on consolidated and separate basis for the period from 1 January 2022 – 30 June 2022.

Overview of the financial results of the Inter Cars Group for the first and half of 2022





- The consolidated revenues on the Group's sales In the 1H2022 increased by 25% compared to the same period of 2021. The high sales dynamics were the result of continued high demand and high production costs, which resulted in automatic price increases, as well as the development of sales in foreign markets. Demand for spare parts was further supported by the decline in sales of new passenger cars (measured by registrations) in Europe in relation to the first six months of previous year. Lower sales of new cars meant that cars that are already used on the roads had to be maintained for longer and therefore repaired and serviced.
- Export sales understood as direct sales (from Inter Cars S.A.) to overseas contractors (mainly from Eastern European markets) and to overseas distribution companies increased by 29% compared to the same period of the previous year, where: sales by the foreign distribution companies amounted to PLN 3,435 m in the first half of 2022, accounting for over 27% growth.
- Sales by Inter Cars Ukraine (which accounted for almost 5% of the Group's turnover in 2021) are made to a much lesser extent than before 24 February 2022. There are currently 37 branches out of 38 in operation and sales are made at a level of approximately 75% of revenues from the corresponding months of 2021.
- Inter Cars' domestic revenue accounted for app. 42% of the Group's revenue (including consolidation exemptions), compared to 45% in the first half of 2021. The Polish market remains the basic sales market for the Capital Group.
- Consolidated margin on sales amounted to 31.0%. In the first half of 2022 the influence of currency exchange gains and losses on the margin was -0.3 percent points, whilst in the same period of 2021 it was comparable, at the level of -0.2 percent point. After elimination of exchange rate differences, the margin would amount to 31.3% for 1H 2022 and 30.4% for 1H 2021.
- The consolidated margin on the operating activities for the first half of 2022 amounted PLN 444,361 thousand and was PLN 84,893 thousand higher than consolidated margin on the operating activities in the same period a year before.
- As at the end of March 2022, the Group recognised an impairment write-off of PLN 75 million, which corresponds to the value of goods and fixed assets located in the central warehouse in Kiev, Ukraine. The warehouse was destroyed as a result of military operations conducted by the Russian Federation in Ukraine. The Management Board estimates that the net assets of Inter Cars Ukraine, after the write-off, amount to approx. PLN 75 million. The remaining assets, not covered by the write-off, are scattered in many locations in western and central Ukraine, thus the risk of

further write-offs, in the opinion of the Management Board, is negligible.

- Consolidated net profit for 6 months 2022 amounted to PLN 324,901 thousand and was higher by PLN 46,800 thousand, compared to the same period of 2021. The main factor influencing the level of the Group's result in the first half of 2022 was the increase in demand for spare parts for both passenger cars and trucks.
- The costs of sale and administration in 6 months of 2022 went up by 0.4% to 13.4% compared to the same period of 2021, when it was on the level of 13.0%. The increase in costs is mainly due to the increase in cost of remuneration and rising transport costs. However, the cost dynamics of the Group remained significantly below the sales dynamics.
- In 1H2022, compared to the same period of 2021, the Group's financing costs increased. This was influenced by an increase in the nominal level of the loan and the level of the WIBOR index, which is the basis for the calculation of interest.
- The increase of PLN 1,162 million in stock value as at the end of 2021 was due to a purchasing strategy aimed at ensuring the availability of goods from both European and Asian suppliers. This strategy was also the result of supplier price increases announced for 2022.
- The effective tax rate for the Group for 6 months of 2022 cumulatively was 20.15%.

Sales revenues on geographical markets.

The Group has been consistently 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. In the current reporting period, the Group recorded sales growth on all geographical markets In the first half of 2022 the most dynamic sales growth, as compared to the same period of 2021 (after translation into PLN and following consolidation exemptions), was recorded by companies in the following countries: Serbia (increase by 196%), Greece (increase by 71%), Cleverlog (Germany) (increase by 66%), Moldova (increase by 56%), and Slovenia (increase by 45%). Whilst the Companies in the Group with the greatest influence on Group’s revenue were the companies in the following countries: Romania (increase by 17%), Latvia (increase by 29%), Lithuania (increase by 28%), Slovakia (increase by 24%), Czech (increase by 31%), Hungary (increase by 28%) and Bulgaria (increase by 36%) .

The underlying financial data of the Inter Cars S.A. Group for 1 half of 2022 were as follows:

	for 6 months ended on 30 June			
	2022	**2021**	**2022**	**2021**
('000)	*PLN*	*PLN*	*EUR*	*EUR*
Profit and loss account *(for the period)*				
Sales revenues	6,994,559	5,582,066	1,506,571	1,227,583
Gross profit (loss) on sales	2,169,218	1,684,952	467,232	370,547
Net financial revenues / costs	(37,670)	(11,903)	(8,114)	(2,618)
Operating profit (loss)	444,361	359,468	95,712	79,053
Net profit (loss)	324,901	278,101	69,981	61,159
Other financial data				
Operating cash flows	(294,370)	98,947	(63,405)	21,760
Investing cash flows	(71,902)	(25,433)	(15,487)	(5,593)
Financing cash flows	382,892	(24,553)	82,472	(5,400)
Basic profit per share	22.93	19.63	4.94	4.32
Sales margin	31.0%	30.2%		
EBITDA margin	7.4%	7.6%		
Balance sheet *(as at)*	**30/06/2022**	**31/12/2021**	**30/06/2022**	**31/12/2021**
Cash and cash equivalents	257,286	240,665	54,969	52,325
Balance sheet total	7,916 060	6,282,666	1,691,249	1 365,975
Loans, borrowings and finance lease	2,060,433	1,480,349	440,207	321,857
Equity	3,402,458	3,089,684	726,928	671,758

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

- for the statement of financial position items – the National Bank of Poland exchange rate of 30 June 2022 – EUR 1 = PLN 4.6806, and exchange rate of 31 December 2021 – EUR 1 = PLN 4.5994
- for the comprehensive income and cash flow statement items – an exchange rate constituting the average National Bank of Poland exchange rate announced on the last day of each month of the first 6 months of 2022 and 2021, respectively: 1 EUR = PLN 4.6427 and 1 EUR = PLN 4.5472 PLN.

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

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

	for 6 months ended on 30 June			
	2022	**2021**	**2022**	**2021**
('000)	*PLN*	*PLN*	*EUR*	*EUR*
Profit and loss account *(for the period)*				
Sales revenues	4,742,095	3,856,991	1,021,409	848,212
Gross profit (loss) on sales	1,261,916	955,881	271,806	210,213
Costs of license	(19,950)	(16,422)	(4,297)	(3,611)
Net financial revenues / costs	(1,088)	9,604	(234)	2,112
Operating profit (loss)	352,604	213,949	75,948	47,051
Net profit (loss)	288,876	180,670	62,222	39,732
Other financial data				
Operating cash flows	(409,720)	57,654	(88,250)	12,679
Investing cash flows	(24,268)	1,699	(5,227)	374
Financing cash flows	446,582	(35,240)	96,190	(7,750)
Basic profit per share	20.39	12.75	4.39	2.80
Sales margin	26.6%	24.78%		
EBITDA margin	7.83%	5.97%		
Balance sheet *(as at)*	**30/06/2022**	**31/12/2021**	**30/06/2022**	**31/12/2021**
	PLN	*PLN*	*EUR*	*EUR*
Cash and cash equivalents	38,088	25,494	8,137	5,543
Balance sheet total	6,258 025	4,912 877	1,337 013	1,068,156
Loans, borrowings and finance lease	1,719 835	1,182 783	367,439	257,160
Equity	2,521,295	2,252 538	538,669	489,746

The sales revenues in 1 half of 2022 were **22.95% higher** than in the same period of 2021. The sales revenues in the parent entity include sales in Poland, sales to foreign customers and to related companies, domestic and foreign.

The gross sales profit (for the 1 half of 2022) was 32.02% higher than in the same period of 2021. **The sales margin** for the 1 half of 2022 was 26.6% (compared to 24.8% in the 1 half of 2021). After eliminating the influence of currency exchange rate differences on the margin in the first half-year 2022 (-0.2% and in the same period a year before -0.5%) the sales margin would be 26.8% in the first half of 2022 and 25.3% in the same period of 2021.

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.

The financial revenues and costs include primarily the costs and revenues from interest and revenues from the dividend. In the first half of 2022, the Company incurred cost of PLN 35,653 k, compared with PLN 9,944 k in the same period of 2021. The revenues from the dividend amount to PLN 31,539 k for the first half of 2022 and PLN 13,431 k for the same period of 2021, respectively.

Liabilities due to credits, loans, borrowings, debt securities and finance lease as at 30 June 2022 amounted to PLN 1,719,835 thousand, compared to PLN 1,182,783 thousand as at 31 December 2021.

4. 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

- The consolidated EBITDA for 12 months cumulatively for the period ending on 30 June 2022 amounted to PLN 1,130,163 thousand (cumulatively as a profit on operating activity plus depreciation) and was PLN 322,467 thousand higher compared to the same period a year before.
- Net debt /EBITDA ratio was 1.60 as at 30 June 2022,(compared to 1.32 a year before)

5. Changes in the structure of the business entity

No such events.

6. The Management Board's standpoint on the feasibility of meeting the previously published forecasts of financial results for 2022

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

(in thousand PLN)

7. Shareholders holding 5% or more of the total vote as at the date 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 PTE SA***	1,617,078	3,234,156	11.41%	11.41%
Andrzej Oliszewski	1,277,370	2,554,740	9.02%	9.02%
Total	**8,517,947**	**17,035,894**	**60.12%**	**60.12%**

* OK Automotive Investments B.V. is a company which is dependent from Maciej Oleksowicz, President of the Management Board of the Company.

** 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").

*** Nationale-Nederlanden Powszechne Towarzystwo Emerytalne SA. funds: Nationale-Nederlanden Otwarty Fundusz Emerytalny, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2030, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2035, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2040, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2045, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2050, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2055, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2060

By the date of release of these financial statements, the Company has not received any other shareholding notifications

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 that 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.

8. Changes in major holdings of the Company shares

From the date of publication of the previous quarterly report, i.e. 19 May 2022, there has been no change in shareholders holding at least 5% of total shares.

9. 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 5,004,091 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.

(in thousand PLN)

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	**7,453,442**		
Supervisory Board				
Andrzej Oliszewski	1,277,370	2,554,740	9.02%	9.02%
	1,277,370	**2,554,740**		
Total	**5,004,091**	**10,008,182**	**35.32%**	**35.32%**

* Directly by OK Automotive Investments B.V.

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. 19 May 2022:

Shareholder	**Number of shares as at 19/05/2022**	**Increases**	**Decreases**	**Number of shares as at 7/09/2022**
Maciej Oleksowicz	3,726,721	-	-	3,726,721
Andrzej Oliszewski	1,277,370	-	-	1,277,370
Total	**5,004 091**	**-**	**-**	**5,004 091**

10. Information on court, arbitration and administrative proceedings

In 2022, no proceedings were brought 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.

11. 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."

12. 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 Q3 2022 include:

- ✓ *high inflation* affecting the suppliers to raise purchase prices of trade goods and production materials, forcing increase of sales prices in order to maintain profitability
- ✓ *high inflation* affecting the increase in operating costs including labour costs resulting from the wage-price spiral and employees' expectations, fuel costs affecting the cost of transporting goods, energy and gas costs associated with the cost of maintaining distribution centres;

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

- ✓ pandemic risk has less and less negative impact on consumer behaviours. In the event of a possible re-emergence of a new wave of SARS-CoV-2 coronavirus, there may be some problems with production and the availability of commercial goods from the main spare parts suppliers.
- ✓ changes in interest rates, which will determine the amount of interest on contracted loans and thus affect the financial expenses;
- ✓ *the conduct of hostilities* by the Russian Federation against Ukraine;
- ✓ *trends in the foreign exchange rates,* mainly EUR, USD and JPY against PLN, UAH, HUF, CZK, HRK, RON, BGN, MDL, BAM, RSD and NOK;
- ✓ *optimization of cost of business* activity aimed at keeping profitability at a proper level;
- ✓ 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;

13. Key threats and risks affecting the remaining months of the financial year

The risks regarding Q3 2022, specified by the Management Board affect also the other months of 2022, as specified in section 12.
Taking into account dynamically changing circumstances, increased level of market insecurity and uncertainty of further influence of the pandemic, including possible, so called fourth wave on the economy, industry, business partners of the Group and consumer behaviours, the Board of the Company is not able to refer to the forecast for coming months.

14. Information on conclusion by the Company or its subsidiaries of a single or more transactions with related entities if such transactions are jointly or separately material and were not concluded at arm's length.

All transactions with related entities were concluded at arm's length.

15. Information on sureties issued by the Company or its subsidiary in respect of loans or borrowings or guarantees issued – jointly to a single entity or its subsidiary, where the total value of such sureties or guarantees is equivalent to at least 10% of the Company's equity.

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 30 June 2022 amounted in total to PLN 10,112 thousand.

Warsaw, 07 September 2022

Maciej Oleksowicz
President of the Management Board

Krzysztof Soszyński
Vice-President of the Management Board

Wojciech Twaróg
Member of the Management Board

Piotr Zamora
Member of the Management Board

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS OF INTER CARS S.A. FOR THE PERIOD FROM 1 January 2022 TO 30 June 2022

Separate statement of financial position

(in thousand PLN)	30/06/2022	31/12/2021	30/06/2021* Transformed data
ASSETS			
Non-current assets			
Tangible fixed assets	114,578	103,198	105,476
Right-of-use assets	25,706	26,573	28,610
Intangible assets	184,395	183,097	183,237
Investments in subordinated entities	508,647	508,265	445,457
Investments available for sale	258	258	260
Receivables	16,423	13,645	17,308
Financial sub-lease receivables	90,416	103,777	103,212
Deferred tax assets	1,634	-	10,457
	942,057	**938,813**	**894,017**
Current assets			
Inventory	2,618,045	1,761,693	1,658,339
Trade and other receivables	2,614,847	2,141,491	1,841,885
Financial sub-lease receivables	44,988	45,386	44,953
Cash and cash equivalents	38,088	25,494	43,192
	5,315,968	**3,974,064**	**3,588,369**
TOTAL ASSETS	**6,258 025**	**4,912,877**	**4,482,386**
LIABILITIES			
Equity			
Share capital	28,336	28,336	28,336
Share premium account	259,530	259,530	259,530
Supplementary capital	1,938,295	1,476,252	1,476,252
Other reserve capitals	5,935	5,935	5,935
Retained earnings	289,199	482,485	180,993
	2,521 295	**2,252,538**	**1,951,046**
Long-term liabilities			
Liabilities due to credits and loans	678,439	564,517	536,600
Other lease liabilities	31,301	24,494	25,453
Liabilities due to lease transformed into sub-lease	90,416	103,777	103,212
Deferred income tax provision	-	46,705	-
	800,156	**739,493**	**665,265**
Short-term liabilities			
Trade and other liabilities	1,773,221	1,201,282	1,257,846
Liabilities on credits, loans, debt securities	990,044	587,797	467,193
Other lease liabilities	20,052	5,975	10,837
Liabilities due to lease transformed into sub-lease	44,988	45,386	44,953
Employee benefits	17,780	12,446	15,090
Income tax liabilities	90,489	67,960	70,156
	2,936,574	**1,920,846**	**1,866,075**
TOTAL LIABILITIES	**6,258 025**	**4,912,877**	**4,482,386**

*data as at 30.06.2021 are presented on a voluntary basis to show the impact of the change in presentation described in note 1.1 on the latest published half-yearly figures for the period ended 30.06.2021.

(in thousand PLN)

Separate statement of comprehensive income

	for 3 months ended on 30 June		*for 6 months ended on 30 June*	
	2022	**2021**	**2022**	**2021**
	not audited	not audited	not audited	not audited
	Not reviewed data			
Revenues from the sale of products, goods and materials	2,550,946	2,086,359	4,742,095	3,856,991
Cost of sales	(1,890,466)	(1,566,962)	(3,480,179)	(2,901,110)
Gross profit on sales	**660,480**	**519,397**	**1,261,916**	**955,881**
Other operating revenue	-	3,717	16,146	6,232
Selling cost, general and administrative expenses	(286,812)	(227,634)	(544,984)	(419,499)
Costs of distribution service	(185,758)	(157,998)	(342,904)	(289,589)
Costs of license	(10,690)	(8,786)	(19,950)	(16,422)
Other operating expenses	(10,111)	(16,132)	(17,620)	(22,654)
Operating profit	**167,109**	**112,564**	**352,604**	**213,949**
Financial income	7,175	4,018	9,260	5,850
Dividends received	*31,539*	*13,103*	*31,539*	*13,431*
Foreign exchange gain/loss	(1,131)	3,086	(1,746)	4,714
Financial costs	(25,410)	(6,820)	(40,141)	(14,391)
Profit before tax	**179,282**	**125,951**	**351,516**	**223,553**
Income tax	(28,257)	(22,291)	(62,640)	(42,883)
Net profit	**151,025**	**103,660**	**288,876**	**180,670**
OTHER COMPREHENSIVE INCOME				
Total other comprehensive income, net	**-**	**-**	**-**	**-**
COMPREHENSIVE INCOME	**151,025**	**103,660**	**288,876**	**180,670**
Net profit	**151,025**	**103,660**	**288,876**	**180,670**
Weighted-average number of ordinary shares (in pieces)	**14,168,100**	**14,168,100**	**14,168,100**	**14,168,100**
Earnings per ordinary share (in PLN)	**10.66**	**7.32**	**20.39**	**12.75**
Weighted-average diluted number of ordinary shares (in pieces)	**14,168,100**	**14,168,100**	**14,168,100**	**14,168,100**
Diluted earnings per ordinary share (in PLN)	**10.66**	**7.32**	**20.39**	**12.75**

Separate statement of changes in equity

for the period from 01 January 2022 to 30 June 2022 (not audited)

(in thousand PLN)	Share capital	Share premium account	Supplementary capital	Other reserve capitals	Retained earnings	**Total equity**
Shareholder's equity as at 1 January 2022	**28,336**	**259,530**	**1,476,252**	**5,935**	**482,485**	**2,252,538**
Statement of comprehensive income						
Profit in the reporting period	-	-	-	-	288,876	**288,876**
Total comprehensive income in the reporting period	**-**	**-**	**-**	**-**	**288,876**	**288,876**
Distribution of retained profits - carried over to supplementary capital	-	-	462,043	-	(462,043)	**-**
Distribution of prior period profit – dividend	-	-	-	-	(20,119)	(20,119)
Owner's equity as at 30 June 2022	**28,336**	**259,530**	**1,938 295**	**5,935**	**289,199**	**2,521 295**

for the period from 1 January 2021 to 31 December 2021

(in thousand PLN)	Share capital	Share premium account	Supplementary capital	Other reserve capitals	Retained earnings	**Total equity**
As at 1 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	-	-	-	-	482,162	**482,162**
Total comprehensive income	**-**	**-**	**-**	**-**	**482,162**	**482,162**
Distribution of prior period profit – dividend	-	-	-	-	(20,119)	**(20,119)**
Distribution of retained profits - transferred to supplementary capital	-	-	202,491	-	(202,491)	**-**
As at 31 December 2021	**28,336**	**259,530**	**1,476,252**	**5,935**	**482,485**	**2,252,538**

Separate statement of changes in equity (cont.)

for the period from 01 January 2021 to 30 June 2021 (not audited)

(in thousand PLN)	Share capital	Share premium account	Supplementary capital	Other reserve capitals	Retained earnings	**Total equity**
Shareholder's equity as at 1 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	-	-	-	-	180,670	**180,670**
Total comprehensive income in the reporting period	**-**	**-**	**-**	**-**	**180,670**	**180,670**
Distribution of retained profits - transferred to supplementary capital	-	-	202,491	-	(202,491)	**-**
Distribution of prior period profit – dividend	-	-	-	-	(20,119)	**(20,119)**
Owner's equity as at 30 June 2021	**28,336**	**259,530**	**1,476,252**	**5,935**	**180,993**	**1,951 046**

Separate statement of cash flows

(in thousand PLN)	**1/01/2022 – 30/06/2022**	**1/01/2021– 30/06/2021**
		Transformed data
Cash flows from operating activities	*not audited*	*Not audited*
Profit (loss) before tax	351,516	223,553
Adjustments:		
Amortization and depreciation	18,541	16,331
Foreign exchange gains /losses	1,436	(1,662)
(Profit) /loss on the sale of property, plant and equipment	(339)	(2,114)
Net interest and share in profits	31,062	9,307
Net dividends	(31,539)	(13,431)
Other adjustments, net	2	(1)
Operating profit before changes in the working capital	**370,679**	**231,983**
Increase (decrease) in inventories	(856,352)	(363,203)
Increase (decrease) in receivables	(445,577)	(284,164)
Change in financial sub-lease receivables	13,759	(4,237)
Change in short-term liabilities	609,980	538,213
Change in liabilities due to lease transformed into sub-lease	(13,759)	4,237
Cash generated by operating activities	**(321,270)**	**122,829**
Corporate income tax paid	(88,450)	(65,175)
Net cash from operating activities	**(409,720)**	**57,654**
Cash flow from investment activities		
Proceeds from the sale of plant, property, equipment and intangible assets	314	122
Purchase of property, plant, equipment and intangible assets	(29,050)	(6,593)
Sale of shares in subordinated entities	154	-
Purchase of financial assets in related and other entities	(896)	-
Repayment of loans granted	4,249	4,247
Loans granted	(4,942)	(2,698)
Interest received	4,322	332
Dividends received	1,581	6,289
Net cash from investing activities	**(24,268)**	**1,699**
Cash flow from financing activities		
(repayments) / proceeds from credits and leases	(30,728)	(24,855)
Deposits received (returned)	29	-
Loans and borrowings received / repaid	511,833	(748)
Interest paid	(34,552)	(9,637)
Net cash from financing activities	**446,582**	**(35,240)**
Net change in cash and cash equivalents	**12,594**	**24,113**
Cash and cash equivalents at the beginning of the period	**25,494**	**19,079**
Cash and cash equivalents at the end of the period	**38,088**	**43,192**

Explanatory notes to the interim condensed separate financial statements prepared for the period of 6 months ended on 30 June 2022.

1.1. 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 6 months ended on 30 June 2022.

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 2021. 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 2021.

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.

The interim condensed separate financial statements of Inter Cars S.A. were approved for publication by the Management Board on 07 September 2022.

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 PLN, unless otherwise indicated.

Changes in presentation

In the reporting period, the Group's Management changed the presentation of trade discounts due from suppliers remaining to be settled in a future period within the separate statement of financial position due to the incorrectly applied criteria for offsetting receivable and payable balances according to IAS 32 par. 42 . Before the change, all trade discounts due from suppliers remaining to be settled in a future period were presented in the separate statement of financial position under trade and other payables, as a reduction thereof. After the change, trade discounts due from suppliers for which the criteria of IAS 32 par. 42 to enable their offsetting against liabilities (i.e. there is no currently enforceable right to offset) are presented under trade and other receivables.

The impact of the change in presentation in the statement of financial position as at 30 June 2021 and in the statement of cash flows for the period ended 30 June 2021 is presented in the table below:

(in thousand PLN)	**30/06/2021** *before change*	*change*	**30/06/2021** *after change*
ASSETS			
Trade and other receivables	1,539,507	302,378	1,841,885
Current assets	**3,285,991**	**302,378**	**3,588,369**
TOTAL ASSETS	**4,180,008**	**302,378**	**4,482,386**
Short-term liabilities			
Trade and other liabilities	955,468	302,378	1,257,846
	1,563,697	**302,378**	**1,866,075**
TOTAL LIABILITIES	**4,180,008**	**302,378**	**4,482,386**

Separate statement of cash flows

(in thousand PLN)	**30/06/2021** *before change*	**30/06/2021** *change*	**30/06/2021** *after change*
Change in trade and other receivables	(146,287)	(137,877)	(284,164)
Change in trade and other liabilities	400,336	137,877	538,213
Cash from operating activities	**122,829**	**-**	**122,829**
Net cash from operating activities	**57,654**	**-**	**57,654**

The change in presentation had no impact on net profit for 1H2021 nor on basic and diluted earnings per share.

1.2. Investments in subordinated entities

The following investments in subordinated entities took place in the first half of 2022:

	2022	**2021**
As at 1 January (gross)	**508,876**	**446,368**
Increase, including:	891	-
- increase in share capital in Partslife International Kft	*891*	-
Decrease, including:	(509)	(300)
- impairment of shares in OOO Inter Cars Automobilna Technika	(451)	-
- return of capital paid in from IC Deutshland GmbH	(53)	-
- sale of shares of CB Dystrybucja Sp. z o.o.	(5)	-
- sale of shares of JAG Sp. z o.o.	-	*(300)*
As at 30 June (gross):	**509,258**	**446,068**
- impairment on Inter Cars Hungaria Kft.	(611)	(611)
As at 30 June (net)	**508,647**	**445,457**

1.3. Information on business segments

Inter Cars S.A. is only a spare parts distributor.

1.4. 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.

1.5. Dividend

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

A dividend of PLN 20,118,702.00, i.e. PLN 1.42 per share, will be paid to shareholders, the Annual General Meeting approved a resolution to distribute the profit and set the dividend date as 30 June 2022 and the dividend payment date as 14 July 2022.

On 31 May 2022, the Ordinary General Shareholders' Meeting of the Company adopted a resolution on the distribution of the profit for the financial year 2021, according to which the profit generated in 2021 shall be distributed in such a way that from the net profit generated in 2021 in the amount of PLN 482,162,138.66, the amount of PLN 20,118,702, i.e. PLN 1.42 per share, will be paid to shareholders as dividend, while the remaining part of the profit in the amount of PLN 462,043,436.66 shall be allocated to the reserve capital; the dividend date was set to be 14 July 2022.

The dividend was paid out on 14 July 2022.

(in thousand PLN)

1.6. Material evaluations and estimates

No material changes to the evaluations or estimates presented in the annual separate financial statements for 2021 were made during the reporting period.

1.7. Transactions with related entities in the condensed separate financial statements

	Sales revenues		**Purchase of goods and services**	
	1/01/2022– 30/06/2022	**1/01/2021 – 30/06/2021**	**1/01/2022 – 30/06/2022**	**1/01/2021 – 30/06/2021**
Inter Cars Ukraine LLC	78,291	86,022	-	-
Q-Service Sp. z o.o.	68	33	176,214	109,029
Lauber Sp. z o.o.	3,610	2,724	50,863	46,044
Inter Cars Česká republika s.r.o.	157,000	121,377	1,265	1,214
Inter Cars Slovenská republika s.r.o.	150,061	124,209	1,342	1,385
Feber Sp. z o.o.	317	447	6,391	5,656
Inter Cars Lietuva UAB	166,924	139,939	1,840	1,789
IC Development & Finance Sp. z o.o.	2	2	-	87
Inter Cars Italia srl.	10,680	813	75	1,232
Inter Cars d.o.o.	83,454	83,371	11,136	4,433
Inter Cars Belgium NV	389	50	-	-
Inter Cars Hungária Kft.	91,576	80,204	1,946	1,487
Inter Cars Romania s.r.l.	184,154	172,295	1,614	2,951
Armatus sp. z o.o.	2	2	30	-
Cleverlog-Autoteile GmbH	126,104	68,411	447	319
Inter Cars Latvija SIA	100,550	82,625	3,468	2,162
Inter Cars Bulgaria EOOD	129,790	84,610	5,587	1,395
Inter Cars Marketing Services Sp. z o.o.	181	53	32,869	23,080
ILS Sp. z o.o.	4,460	2,391	278,624	202,801
Q-Service Truck Sp. z o.o.	932	498	24,789	16,280
Inter Cars Malta Limited	43	3	303,999	168,114
INTER CARS INT d o.o. (Slovenia)	15,331	5,975	503	316
Inter Cars Piese Auto s.r.l.	257	94	31	19
Inter Cars Greece	39,221	23,621	813	618
Inter Cars Eesti OU	37,941	19,531	948	485
Inter Cars United Kingdom - automotive technology Ltd	11,198	7,618	-	-
Inter Cars d o.o. (Bosnia)	315	148	21	-
Inter Cars d o.o. (Serbia)	172	177	13	-
Inter Cars Fleet Services Sp. z o.o.	13,856	20,492	484	1,002
JAG Sp. z o.o.	-	1,104	-	7,792
OOO Inter Cars Automobila Technika (Belarus)	33	64	-	-
Inter Cars Norge AS	(24)	-	-	-
	1,406 888	**1,128 903**	**905,312**	**599,690**

(in thousand PLN)

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

	Receivables as at		Liabilities as at	
	30/06/2022	**31/12/2021**	**30/06/2022**	**31/12/2021**
Inter Cars Ukraine LLC	97,574	88,070	-	-
Lauber Sp. z o.o.	32,129	29,968	19,745	27,590
Inter Cars Ceska Republika s.r.o.	46,362	51,333	77	599
Inter Cars Slovenska Republika s.r.o.	74,105	54,867	156	869
Feber Sp. z o.o.	107	235	1,928	6,309
Inter Cars Lietuva UAB	74,905	70,138	115	275
Inter Cars Italia srl	7,034	2,848	938	745
Inter Cars d.o.o.	203,679	168,974	1,017	395
Inter Cars Belgium NV	744	340	-	-
Inter Cars Hungária Kft.	88,517	78,827	113	67
Inter Cars Romania s.r.l.	358,929	297,218	78	615
Inter Cars Latvija SIA	85,396	55,442	111	280
Cleverlog-Autoteile GmbH	6,236	3,059	47	22
Inter Cars Bulgaria Ltd.	208,912	148,875	379	63
Inter Cars Marketing Services Sp. z o.o.	41	-	222,525	188,190
ILS Sp. z o.o.	174	457	39,018	87,056
Inter Cars Malta Holding Limited	-	-	(21)	(21)
Inter Cars Malta Limited	14	79	215,841	224,989
Q-Service Truck Sp. z o.o.	203	79	21,760	13,304
Inter Cars INT d. o.o.o (Slovenia)	11,035	5,669	152	-
Inter Cars Eesti OÜ	6,846	6,244	91	176
Q-Service Sp. z o.o.	53	252	66,100	42,521
ILS Latvijas filialie	134	96	-	-
IC Development & Finance Sp. z o.o.	12	10	1,490	1,539
Armatus sp. z o.o.	1	56	(342)	(342)
Inter cars PIESE Auto s.r.l.	(38)	138	9	20
Inter Cars Greece	61,348	37,700	489	1,043
InterMeko Europe Sp. z o.o.	147	106	260	56
Inter Cars d o.o. (Bosnia)	360	889	1,572	1,524
Inter Cars d.o.o. Beograd-Rakovica	198	87	21	7
Inter Cars Fleet Services Sp. z o.o.	20,366	34,540	571	184
Inter Cars United Kingdom - AUTOMOTIVE TECHNOLOGY LTD.	4,798	3,458	-	-
OOO "INTER CARS AUTOMOBILNA TECHNIKA	100	65	-	-
CB DYSTRYBUCJA Sp. z o.o	-	311	-	-
Inter Cars Norge AS	-	24	-	-
Inter Cars Cyprus Ltd.	-	-	4	4
Gross	**1,390,421**	**1,140,454**	**594,244**	**598,079**
Reserves for returns	**(49,510)**	**(43,217)**	**-**	**-**
Net	**1,340,911**	**1,097,237**	**594,244**	**598,079**

Settlements on loans and borrowings		
Receivables from subsidiaries	**30/06/2022**	**31/12/2021**
Lauber Sp. z o.o.	8,807	8,750
IC Development & Finance Sp. z o.o.	11,439	17,912
Inter Cars d o.o. Beograd Rakovica	941	924
Inter Cars Fleet Services Sp. .	3,275	3,240
Inter Cars Belgium NV	1,639	-
Inter Cars Norge AS	217	-
Gross receivables on loans	**26,318**	**30,826**
Liabilities to subsidiaries		
Inter Cars Cyprus Ltd.	97,175	94,580
	97,175	**94,580**

(in thousand PLN)

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

Receivables on dividend

Receivables from subsidiaries	**30/06/2022**	**30/06/2021**
Inter Cars Lietuva UAB	7,694	7,343
Inter Cars Česká republika s.r.o.	10,631	-
Inter Cars Eesti	4,274	-
Inter Cars Piese	7,360	-
Inter Cars Slovenská republika s.r.o.	-	5,820
Gross receivables on dividend	**29,959**	**13,163**

Guarantees and sureties granted by Inter Cars S.A. to related entities.

Sureties and guarantees granted by Inter Cars S.A. as at 30 June 2022 amounted in total to: PLN 328,226 thousand.

Changes in sureties and guaranties	
Status as at 31 December 2021	**395,943**
Increase (conclusion of new agreements)	62,673
Decrease (expiration)	130,390
Status as at 30 June 2022	**328,226**

In the first half of 2022, 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.

Transactions with the members of the Supervisory Board and the Management Board and members of their families.

	1.1.2022-30.06.2022	**1.1.2021-30.06.2021**
Transactions with related entities		
Income on sales to related entities	128	160
Purchase of goods and services from related entities	418	389

	30/06/2022	**31/12/2021**
Settlements with related entities		
Receivables from related entities	15	29
Liabilities to related entities	55	-

Warsaw, 07 September 2022

Maciej Oleksowicz
President of the Management Board

Krzysztof Soszyński
Vice-President of the Management Board

Wojciech Twaróg
Member of the Management Board

Piotr Zamora
Member of the Management Board

Julita Pałyska
Chief Accountant