



**INTER CARS SPÓŁKA AKCYJNA
ANNUAL SEPARATE FINANCIAL STATEMENTS 2024**



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ANNUAL SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD from 1 January to 31 December 2024
TABLE OF CONTENTS

Financial highlights:	3
Information about INTER CARS S.A.	5
1. Scope of activities	5
2. Registered seat	5
3. Contact details	5
4. Supervisory Board (as at the date of approval of the financial statements)	5
5. Management Board (as at the date of approval of the financial statements).....	5
6. Statutory auditor.....	5
7. Subsidiaries.....	6
8. Stock exchange listings	9
9. Date of approval of the financial statements for publication	9
ANNUAL SEPARATE STATEMENT OF FINANCIAL POSITION	10
ANNUAL SEPARATE STATEMENT OF COMPREHENSIVE INCOME	11
ANNUAL SEPARATE STATEMENT OF CHANGES IN EQUITY	12
ANNUAL SEPARATE STATEMENT OF CHANGES IN EQUITY (CONT.)	13
ANNUAL SEPARATE STATEMENT OF CASH FLOWS	14
Notes to the annual separate financial statements	15
1. Basis for the preparation of the separate annual financial statements	15
2. Impact of changes in IFRS standards and interpretation on the Company's financial statements	15
2.1. CHANGES IN IFRS AND THEIR INTERPRETATIONS	15
2.2. AMENDMENTS IN IFRS AND THEIR INTERPRETATIONS PUBLISHED AND APPROVED BY THE EU NOT YET EFFECTIVE	15
2.3. STANDARDS AND INTERPRETATIONS ADOPTED BY THE INTERNATIONAL FINANCIAL REPORTING STANDARDS BOARD (IASB), AWAITING EU'S APPROVAL.....	16
2.4. BASIS OF MEASUREMENT	16
2.5. FUNCTIONAL AND PRESENTATION CURRENCY.....	16
3. Basis of accounting.....	17
3.1. CHANGES IN THE ACCOUNTING POLICY.....	17
3.2. OTHER SIGNIFICANT ACCOUNTING POLICIES.....	17
4. Significant evaluations and estimates	25
5. Information on business segments.....	26
6. Supplementary information.....	26
7. Tangible fixed assets	26
8. Right-of-use assets	28
9. Intangible assets	29
The amortisation value of intangible assets has been recognised in selling, general and administrative expenses	30
10. Impairment test	31
11. Real estate available for sale	31
12. Investments in subordinated entities	32
13. Deferred tax.....	35
14. Inventory	36

Table of contents

15.	Trade and other receivables.....	37
16.	Cash.....	39
17.	Share capital and share premium account	39
18.	Net profit per share	40
19.	Liabilities due to borrowings and other debt instruments	40
20.	Lease liabilities	42
21.	Liabilities and receivables due to lease transformed into sub-lease.....	43
22.	Trade and other liabilities	43
23.	Employee benefits.....	44
24.	Sales revenues.....	44
25.	Cost of sales	45
26.	Selling, general and administrative expenses.....	46
27.	Costs of employee benefits.....	46
28.	Other operating income.....	46
29.	Other operating expenses.....	47
30.	Finance income and expenses, exchange differences and dividends received.....	47
31.	Structure of cash for the statement of cash flows.....	48
32.	Income tax	50
33.	Dividend.....	50
34.	Unrecognised liabilities under executed agreements.....	51
35.	Transactions with related entities	51
36.	Financial risk management	54
37.	Events subsequent to the balance sheet date.....	58
38.	Going concern	58
39.	Consolidated financial statements	59
	STATEMENTS OF THE MEMBERS OF THE MANAGEMENT BOARD AND APPROVAL OF THE FINANCIAL STATEMENTS	60

FINANCIAL HIGHLIGHTS:

<i>in thousand PLN</i>	for the period of 12 months ended on		for the period of 12 months ended on	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	PLN	PLN	EUR	EUR
Profit and loss account (for the period)				
Revenues from the sale of products, goods and materials	12,606,681	11,805,991	2,928,925	2,607,100
Gross profit on sales	3,085,514	2,792,877	716,861	616,747
License fees	(51,326)	(49,273)	(11,925)	(10,881)
Net financial revenues / costs	15,847	11,998	3,682	2,650
Operating results	443,365	421,995	103,008	93,189
Net profit	402,735	361,241	93,568	79,772
Other financial data				
Net cash flows from operating activities	(113,437)	(35,149)	(26,355)	(7,762)
Investing cash flows	148,171	2,435	34,425	538
Financing cash flows	(6,110)	9,473	(1,420)	2,092
Basic profit per share	28.43	25.50	6.60	5.63
Sales margin	24.48%	23.66%		
EBITDA margin	3.85%	3.93%		
EBITDA	485,874	464,066	112,708	102,479
Balance sheet (as at)				
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Cash	41,832	51,932	9,790	11,944
Balance sheet total	7,832,673	7,080,590	1,833,062	1,628,471
Interest-bearing loans and borrowings, debt securities and leasing	2,207,667	2,009,259	516,655	462,111
Equity	3,518,876	3,126,200	823,514	718,997
Employment and branches				
	31/12/2024	31/12/2023		
Employees	1,026	982		
Branches	246	246		

EBITDA is calculated as the sum of operating profit and depreciation for the reporting period.

The sales margin ratio is calculated as gross profit on sales divided by sales revenue from the sales of products, goods and materials.

The EBITDA margin ratio is calculated as EBITDA divided by revenue from sales of products, goods and materials.

The following exchange rates were applied to calculate selected financial data in EUR (in line with IAS 21).

- for the statement of financial position items – the National Bank of Poland exchange rate of 31 December 2024 – EUR 1 = PLN 4.2730, and the National Bank of Poland exchange rate of 31 December 2023 – EUR 1 = PLN 4.3480
- 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 2024 and 2023, respectively: 1 EUR = PLN 4.3042 and 1 EUR = PLN 4.5284.



**Annual separate financial statements of Inter Cars S.A. for the
period from 1 January to 31 December 2024**

INFORMATION ABOUT INTER CARS S.A.

1. SCOPE OF ACTIVITIES

The principal activities of Inter Cars Spółka Akcyjna (hereinafter referred to as "Inter Cars", "The Company") are import and distribution of spare parts and tyres for passenger cars and utility vehicles.

2. REGISTERED SEAT

Ul. Powsińska 64
02-903 Warsaw
Poland

Central Warehouse:

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

The main area of Inter Cars S.A. activity is the territory of Poland.

Administrative data of the Company

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

KRS 0000008734
NIP 1181452946
Regon 014992887

3. CONTACT DETAILS

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

Both, the name of the Company and its other identifying information have not changed since the end of the previous reporting period.

4. SUPERVISORY BOARD (AS AT THE DATE OF APPROVAL OF THE FINANCIAL STATEMENTS)

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

On 2 September 2024, Mr Piotr Płoszajski, a member of the Supervisory Board, passed away.

5. MANAGEMENT BOARD (AS AT THE DATE OF APPROVAL OF THE FINANCIAL STATEMENTS)

Maciej Oleksowicz, President
Krzysztof Soszyński, Vice-President
Wojciech Twaróg, Member of the Management Board
Piotr Zamora, Member of the Management Board
Wojciech Aleksandrowicz, Member of the Management Board

6. STATUTORY AUDITOR

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k
Ul. Inflancka 4A;
00-189 Warsaw

7. SUBSIDIARIES

As at 31 December 2024, the following entities comprised the Inter Cars Capital Group: Inter Cars S.A. as the parent entity, and 42 other entities, including:

- 36 direct subsidiaries of Inter Cars S.A.
- 2 jointly controlled companies
- 4 indirect subsidiaries of Inter Cars S.A.

The Company also holds shares in one related entity.

Name of entity	Registered seat	Scope of activities	Consolidation method	Percentage of the Company's share in the share capital	
				31/12/2024	31/12/2023
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	Percentage of the Company's share in the share capital	
				31/12/2024	31/12/2023
Inter Cars Ukraine LLC	Khmel'nitsky, 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%

Subsidiaries, jointly controlled companies and associates (cont.)

Name of entity	Registered seat	Scope of activities	Consolidation method	Percentage of the Company's share in the share capital	
				31/12/2024	31/12/2023
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%
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.	Częstków Mazowiecki, Poland	Advertising, market and public opinion research	full	100%	100%
ILS Sp. z o.o.	Swobodnia, municipality Za krocym, 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 Trgovina z rezervnimi deli in opremo za motorna vozila d.o.o. 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%

Subsidiaries, jointly controlled companies and associates (cont.)

Name of entity	Registered seat	Scope of activities	Consolidation method	Percentage of the Company's share in the share capital	
				31/12/2024	31/12/2023
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 ¹	Mogilev, Belarus	Distribution of spare parts for passenger cars and commercial vehicles	full	-	100%
Inter Cars Norge AS	Oslo, Norway	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Deutschland GmbH ²	Berlin, Germany	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Albania SHA ³	Tirana, Albania	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	-
TK Dystrybucja Sp. z o.o. ⁴	Warsaw, Poland	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	-
WZ Dystrybucja Sp. z o.o. ⁵	Warsaw, Poland	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	-

Indirect subsidiaries

Name of entity	Registered seat	Scope of activities	Consolidation method	Percentage of the Company's share in the share capital	
				31/12/2024	31/12/2023
Inter Cars Malta Limited ⁶	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. ⁷	Vinkovci, Croatia	Distribution of spare parts and real estate rental	full	100%	100%

Subsidiaries, jointly controlled companies and associates (cont.)

Name of entity	Registered seat	Scope of activities	Consolidation method	Percentage of the Company's share in the share capital	
				31/12/2024	31/12/2023
IILS Balkan srl. ⁸	Bucharest, Romania	Warehousing services	full	100%	100%
IILS Adriatic Logistika d.o.o. ⁹	Vinkovci, Croatia	Warehousing services	full	100%	100%

Jointly controlled companies

Name of entity	Registered seat	Scope of activities	Consolidation method	Percentage of the Company's share in the share capital	
				31/12/2024	31/12/2023
InterMeko Europe Sp. z o.o.	Warsaw, Poland	Control and assessment of spare parts, components and accessories	equity method	50%	50%

DANXILS Sp. z o.o. ¹⁰	Swobodnia, Poland	Logistics services	equity method	50%	-
Associated entity					
Partslife International Kft ¹¹	Hungary Dunakeszi	Environmental and ecological services	equity method	33.3%	33.3%

¹ The Company did not commence business activities; the Company was removed from the register on 12 January 2024

² The Company acquired in November 2022, started operating activities in 1Q2024

³ The Company established in October 2023, started operating activities in 3Q2024

⁴ The Company established in April 2024

⁵ The Company established in April 2024

⁶ 100% shares held by subsidiary company Inter Cars Malta Holding Limited

⁷ 100% shares held by subsidiary company Inter Cars d.o.o. (Croatia)

⁸ 100% shares held by subsidiary company ILS Sp. z o.o.

⁹ The Company established in October 2023 by parent company Inter Cars S.A., since 30 October 2024, 100% of the shares are held by the subsidiary ILS Sp. z o.o.

¹⁰ The Company founded in March 2023; 50% shares held by subsidiary company ILS Sp. z o.o.

¹¹ 33.3% shares held by the Parent company, Inter Cars S.A..

In April 2024 two new subsidiary companies were established; TK Dystrybucja Sp. z o.o. and WZ Dystrybucja Sp. z o.o. As of 31 December 2024, the operations of WZ Distribution were suspended. However, on 30 October 2024, the shares in the subsidiary ILS Adriatic Logistika d.o.o. were transferred as a contribution to the capital increase of the subsidiary ILS Sp. z o.o.

In the reporting period there were no other changes in the structure of the entity, besides listed above, including business combinations, takeovers or sales entities of the Capital Group of the Company, long-term investments, division, restructuring or cessation of business activities.

8. STOCK EXCHANGE LISTINGS

The shares of Inter Cars S.A. are listed on the Warsaw Stock Exchange in the continuous trading system.

9. DATE OF APPROVAL OF THE FINANCIAL STATEMENTS FOR PUBLICATION

These annual separate financial statements were approved by the Management Board of Inter Cars S.A for publication on 29 April 2025.

(in thousand PLN)

ANNUAL SEPARATE STATEMENT OF FINANCIAL POSITION

ASSETS	Note no.	31/12/2024	31/12/2023
Non-current assets			
Tangible fixed assets	7	108,652	128,344
Right-of-use assets	8	42,945	28,096
Intangible assets	9	194,674	190,766
Investments in subordinated entities	12	532,007	516,050
Other long-term receivables	15	32,040	26,117
Sub-lease receivables	21	87,458	90,199
		997,776	979,572
Current assets			
Inventory	14	2,766,147	2,475,284
Trade and other receivables	15	3,948,209	3,484,936
Sub-lease receivables	21	46,123	46,984
Income tax receivables		32,586	41,882
Cash	16	41,832	51,932
		6,834,897	6,101,018
TOTAL ASSETS		7,832,673	7,080,590
LIABILITIES			
Equity			
Share capital	17	28,336	28,336
Share premium account	17	259,530	259,530
Supplementary capital	17	2,822,016	2,470,834
Other reserve capitals		5,935	5,935
Retained earnings from previous and current years		403,059	361,565
		3,518,876	3,126,200
Long-term liabilities			
Liabilities due to credits, loans	19	829,054	829,104
Other lease liabilities	20	35,398	34,467
Liabilities due to lease transformed into sub-lease	21	87,458	90,199
Deferred income tax provision	13	107,682	99,226
		1,059,592	1,052,996
Short-term liabilities			
Trade and other liabilities	22	1,819,233	1,683,058
Liabilities on credits, loans, debt securities	19	1,331,737	1,133,294
Other lease liabilities	20	11,478	12,394
Liabilities due to lease transformed into sub-lease	21	46,123	46,984
Employee benefits	23	45,634	25,664
		3,254,205	2,901,394
TOTAL LIABILITIES		7,832,673	7,080,590

(in thousand PLN)

ANNUAL SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note no.	01/01/2024 - 31/12/2024	01/01/2023- 31/12/2023
Revenues from the sale of products, goods and materials	24	12,606,681	11,805,991
Cost of sales	25	(9,521,167)	(9,013,114)
Gross profit on sales		3,085,514	2,792,877
Other operating income	28	9,620	17,090
Selling, general and administrative expenses	26	(1,660,106)	(1,451,531)
Costs of distribution service	26	(841,426)	(793,103)
License fees	26	(51,326)	(49,273)
Other operating expenses	29	(98,911)	(94,065)
Operating results		443,365	421,995
Financial revenues	30	21,035	11,439
Dividends received	30	129,349	143,582
Foreign exchange gains/losses	30	3,186	5,856
Financial expenses	30	(137,724)	(148,879)
Profit before tax		459,211	433,993
Income tax	32	(56,476)	(72,752)
Net profit		402,735	361,241
OTHER COMPREHENSIVE INCOME			
Total other comprehensive income, net		-	-
COMPREHENSIVE INCOME		402,735	361,241
Earnings per share (PLN)			
- basic and diluted	18	28.43	25.50
Weighted average number of shares in the year		14,168,100	14,168,100

(in thousand PLN)

ANNUAL SEPARATE STATEMENT OF CHANGES IN EQUITY

for the period from 1 January 2024 to 31 December 2024

	Note no.	Share capital	Share premium account	Supplementary capital	Other reserve capitals	Retained earnings	Total equity
As at 1 January 2024		28,336	259,530	2,470,834	5,935	361,565	3,126,200
Statement of comprehensive income							
Profit in the reporting period	18	-	-	-	-	402,735	402,735
Total comprehensive income		-	-	-	-	402,735	402,735
Distribution of prior period profit – dividend	33	-	-	-	-	(10,059)	(10,059)
Distribution of retained profits - transferred to supplementary capital	33	-	-	351,182	-	(351,182)	-
As at 31 December 2024		28,336	259,530	2,822,016	5,935	403,059	3,518,876

The supplementary capital comprises the value of resources, contributed to the entity for an indefinite period of time, in excess of their value declared to be contributed and included in the share capital, and the value of profits retained in the company but which may be withdrawn from it.

(in thousand PLN)

ANNUAL SEPARATE STATEMENT OF CHANGES IN EQUITY (CONT.)

for the period from 1 January 2023 to 31 December 2023

	Note no.	Share capital	Share premium account	Supplementary capital	Other reserve capitals	Retained earnings	Total equity
As at 1 January 2023		28,336	259,530	1,938,295	5,935	542,922	2,775,018
Statement of comprehensive income							
Profit in the reporting period	17	-	-	-	-	361,241	361,241
Total comprehensive income		-	-	-	-	361,241	361,241
Transactions with shareholders							
Distribution of prior period profit – dividend	33	-	-	-	-	(10,059)	(10,059)
Distribution of retained profits - transferred to supplementary capital	33	-	-	532,539	-	(532,539)	-
As at 31 December 2023		28,336	259,530	2,470,834	5,935	361,565	3,126,200

(in thousand PLN)

ANNUAL SEPARATE STATEMENT OF CASH FLOWS

	Note no.	01/01/2024 - 31/12/2024	01/01/2023- 31/12/2023
Cash flows from operating activities			
Profit before tax		459,211	433,993
Adjustments:			
Amortization and depreciation		42,509	42,073
Foreign exchange losses		(2,193)	1,697
(Profit)/loss on investing activities		1,000	12,925
Net interest and share in profits		115,620	134,509
Dividends received	30	(129,349)	(143,582)
Operating profit before changes in the working capital		486,798	481,615
Increase (decrease) in inventories		(290,863)	(85,449)
Change in long- and short-term receivables	31	(465,516)	(565,338)
Change in sub-lease receivables		-	4,718
Change in short-term liabilities (excluding credits and loans)	31	156,144	262,635
Change in liabilities due to lease transformed into sub-lease		-	(4,718)
Cash generated by operating activities		(113,437)	93,463
Corporate income tax (paid)	31	(38,724)	(128,612)
Net cash from operating activities		(152,161)	(35,149)
Cash flow from investment activities			
Proceeds from the sale of plant, property, equipment and intangible assets		932	1,864
Proceeds from sub-lease contracts		50,352	-
Purchase of property, plant, equipment and intangible assets		(30,640)	(68,403)
Purchase of financial assets in related and other entities	12.31	(15,957)	(2,070)
Repayment of loans granted	31	201,728	47,249
Loans granted	31	(204,757)	(123,354)
Interest received	31	17,164	3,567
Dividends received		129,349	143,582
Net cash from investing activities		148,171	2,435
Cash flow from financing activities			
Payments of lease contracts	31	(12,849)	(68,036)
Payment of sub-lease contracts		(50,352)	-
Loans granted	31	198,285	225,644
Interest paid	31	(131,135)	(138,076)
Dividend paid	33	(10,059)	(10,059)
Net cash from financing activities		(6,110)	9,473
Net change in cash and cash equivalents		(10,100)	(23,241)
Cash as at the beginning of period		51,932	75,173
Cash as at the end of period		41,832	51,932

NOTES TO THE ANNUAL SEPARATE FINANCIAL STATEMENTS

1. BASIS FOR THE PREPARATION OF THE SEPARATE ANNUAL FINANCIAL STATEMENTS

The separate annual financial statements (hereinafter referred to as the “financial statements”) were prepared in accordance with the International Financial Reporting Standards, hereinafter referred to as “EU IFRS,” approved by the European Union.

The UE IFRS include all International Accounting Standards, International Financial Reporting Standards and interpretations thereof, excluding the below-mentioned Standards and Interpretations currently awaiting EU’s approval, as well as the Standards and Interpretations which have been approved by the EU but have not become effective.

The Company decided not to apply new Standards and Interpretations published and approved by the EU which will become effective following the reporting date. Furthermore, as at the reporting date the Company had not finished estimating the impact of all the new Standards and Interpretations to become effective following the reporting date.

The Company is currently reviewing the impact of the published standards that have not come into force and assesses that, apart from additional disclosures, they are not expected to have a material impact on the separate financial statements.

2. IMPACT OF CHANGES IN IFRS STANDARDS AND INTERPRETATION ON THE COMPANY’S FINANCIAL STATEMENTS

2.1. CHANGES IN IFRS AND THEIR INTERPRETATIONS

The information included in these separate financial statements was prepared based on the same accounting principles and calculation methods as those applied in the preceding annual separate financial statements for the year 2023.

The new or amended standards and interpretations applicable as of 2024 have no material bearing on the Company’s financial statements.

Other changes having no material bearing on the Company’s financial statements:

- Amendments to IAS 1 „*Presentation of Financial Statements*” and the IFRS Board’s Guidance on Disclosures about Accounting Policies - Materiality Issues in Accounting Policies, (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 8 “*Accounting policies, changes in accounting estimates and errors*” - definition of estimates. The change is effective as of 1 January 2023.
- *Amendments to IAS 12 “Income Taxes”*
The amendments to IAS 12 clarify how to account for deferred tax on transactions such as leases and retirement obligations. Prior to the amendment to the standard, there was ambiguity as to whether the recognition of equal amounts of an asset and a liability for accounting purposes (e.g. the initial recognition of a lease) with no impact on current taxable accounts necessitates the recognition of deferred tax balances or whether the so-called initial recognition exemption, which states that deferred tax balances are not recognised if the recognition of an asset or liability has no impact on accounting or taxable profit at the time of that recognition, applies. The amended IAS 12 addresses this issue by requiring the recognition of deferred tax in the above situation by additionally stating that the exemption from initial recognition does not apply if an entity simultaneously recognises an asset and an equivalent liability and each creates temporary differences. Amendment shall apply to reporting periods commencing as of 1 January 2023 or thereafter.
- Amendments to IFRS 17 “*Insurance contracts*”
The amendment relates to the transitional requirements in connection with the first-time application of IFRS 17 “Insurance Contracts” and IFRS 9 “Financial Instruments”. The purpose of the amendment is to ensure the usefulness of financial information for investors in the period of first application of the new standard by introducing certain simplifications with regard to the presentation of comparative information. The amendment relates only to the application of the new IFRS 17 standard and does not affect any other requirements in IFRS 17.

2.2. AMENDMENTS IN IFRS AND THEIR INTERPRETATIONS PUBLISHED AND APPROVED BY THE EU NOT YET EFFECTIVE

In these separate financial statements, the Company has not decided to early apply the following published standards, interpretations or amendments to existing standards before their effective date:

- Amendments to IAS 21 „*Non-convertibility of foreign currencies*” – loss of foreign currency convertibility; effective for annual periods commencing as of 1 January 2025,

At the date of authorisation of these separate financial statements for issue, management does not expect the introduction of these other standards and interpretations to have a material impact on the accounting policies applied by the Company.

2.3. STANDARDS AND INTERPRETATIONS ADOPTED BY THE INTERNATIONAL FINANCIAL REPORTING STANDARDS BOARD (IASB), AWAITING EU'S APPROVAL

- Amendments to classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7) - settlement of liabilities through electronic payment systems, the Company plans to apply the amendments as of 1 January 2026.
- Nature-dependent power contracts (Amendments to IFRS 9 and IFRS 7) - The amendments allow better reflection in the financial statements of nature-dependent power contracts, which are also referred to as power purchase agreements, the Company plans to apply the amendments as of 1 January 2026.
- IFRS 18 Presentation and Disclosures in Financial Statements - IFRS 18 replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces the newly defined subtotals "operating profit" and "profit or loss before financing and income taxes" and the requirement that all income and expenses are to be allocated to three new, separate categories relating to the company's main activities: operating, investing and financing activities. Effective for annual periods beginning on 1 January 2027.
- *IFRS 19 Subsidiaries without public accountability*: disclosures - IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. The Company plans to apply the new standard as of 1 January 2027.
- Annual Improvements to IFRS Accounting Standards - Volume 11 (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7) - The amendments relate to IFRS 9 Financial Instruments and four other accounting standards. The amendments to IFRS 9 relate to:
 - differences between IFRS 9 and IFRS 15 Revenue from Contracts with Customers regarding the initial measurement of trade receivables; and
 - how the lessee ceases to recognise the lease liability in accordance with paragraph 23 of IFRS 9. The Company plans to apply the changes as of 1 January 2026.

The Board is in the process of estimating the future impact of applying the above new standards and interpretations. With regard to the above amendments to the standards, the Board does not expect a material impact on the Company's future results.

2.4. BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis.

All amounts in the financial statements are shown in thousand PLN, unless stated otherwise.

2.5. FUNCTIONAL AND PRESENTATION CURRENCY

(a) Presentation and functional currency

These financial statements are presented in Polish zloty („PLN”) which is the Company's functional currency. PLN is the functional currency of Inter Cars S.A.

(b) Foreign currency translation differences

Transactions presented in foreign currencies have been recognized according to the exchange rate announced at the transaction date. Foreign currency translation differences resulting from settling of these transactions and measuring of monetary assets and liabilities as at the reporting date according to the average National Bank of Poland exchange rate announced at that date, have been recognized as profit or loss, where foreign currency translation differences resulting from settlement of trade liabilities adjust the costs of sales, while the remaining foreign currency translation differences are presented in a separate position.

Non-cash balance sheet items denominated in foreign currency measured at fair value are translated as per the average exchange rate announced by the National Bank of Poland (or another bank in the case of another functional currency) at the date the fair value is measured. The non-cash items measured at historical cost in foreign currencies are translated by the Company using the exchange rate valid on the transaction date. Foreign exchange gains /losses translations are recognised in profit or loss of the current period, except for those arising on the translation of equity instruments classified as other comprehensive income.

Foreign currency translation differences resulting from translation of transactions into PLN are recognized separately in the statement of comprehensive income, excluding foreign currency translation differences regarding the repayment of liabilities or payment of trade and other receivables, recognised as cost of sale.

3. BASIS OF ACCOUNTING

3.1. CHANGES IN THE ACCOUNTING POLICY

The main accounting principles applied in preparing these financial statements are presented below. These principles have been applied continuously in all years presented, new standards and amendments to standards effective from 2024 did not require an adjustment to accounting policy.

3.2. OTHER SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in the financial statements:

a) **Tangible fixed assets**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated.

Property, plant and equipment include Company's assets, investment in third-party fixed assets, fixed assets under construction and third-party fixed assets accepted for use by the Company (when pursuant to a contract the potential benefits and risk resulting from their possession are substantially transferred to the Company). The above mentioned constitute assets used for delivery of goods or services and for administrative purposes or for third-party lease, and the anticipated time of their use exceeds one year.

The acquisition or production cost includes the costs incurred to purchase or manufacture property, plant and equipment, including capitalized borrowing costs until a property, plant or equipment asset is handed over for permanent use. The costs incurred at a later period are recognized in the balance sheet value, if the Company is likely to obtain economic benefits. The cost of current maintenance of property, plant and equipment are recognized as profit or loss.

Property, plant and equipment, except for tangible assets under construction and land, are subject to depreciation. Depreciation is calculated to write off the cost of items of property, plant and equipment less their residual value over their estimated useful lives periodically reviewed by the Company. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale, it is derecognized, its residual value is higher than its carrying amount, or it is fully depreciated.

Items of property, plant and equipment are depreciated using the straight-line method over their estimated useful lives which are as follows:

Buildings and leasehold improvements	10 - 40 years
Plant and machinery	3 - 16 years
Vehicles	5 - 7 years
Other fixed assets	1 year - 5 years

Gains or losses arising from the derecognition of an item of property, plant and equipment are calculated as the difference between net proceeds from disposal and the carrying amount of the asset, and are included in profit or loss when the item is derecognized.

b) **Goodwill**

Goodwill arising on acquisition of subsidiaries is measured at cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the

After the initial presentation, goodwill is measured according to the purchase price less any cumulated impairment losses. In the case of investments measured using the equity method, goodwill is recognized as the carrying value of investments, while an impairment loss on this investment is not allocated to any item of assets, including goodwill, which constitutes a part of the value of the investment. Purchase of non-controlling shares is recognized as transactions with shareholders, as a result of which goodwill is not recognized with this type of transactions. Adjustments on non-controlling shares are based on the proportional value of net assets of a related entity.

c) **Intangible assets**

Identifiable non-monetary assets without physical substance, whose acquisition or production cost can be estimated reliably and which will probably bring future economic benefits to the Company attributable directly to a given asset, are recognized as intangible assets. Intangible assets with definite useful lives (between 2 and 10 years) are amortized over their useful lives, starting from the day when a given asset is available to be placed in service. Amortisation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group of assets that is classified as held for sale) in accordance with IFRS 5 Non-Current Assets Available for Sale and Discontinued Operations, and the date that the asset is

Notes to the annual separate financial statements

(in thousand PLN)

derecognized or when it is fully amortized. The amortisable amount of an intangible asset for amortization is determined after deducting its residual value.

The Company has no other intangible assets with an indefinite useful life.

Computer software

Software licenses are valued at acquisition cost plus the costs directly attributable to bringing them to the condition necessary for the asset to be capable of operating.

The costs related to maintaining software are recognized as the costs of the period in which they are incurred.

Costs related directly to the production of unique computer software for the Company, which will probably yield economic benefits exceeding costs beyond one year, are disclosed under intangible assets and amortized over the useful life of a given asset.

Other intangible assets

Other intangible assets include on-line sales platforms, databases and other intangibles of lower value.

Software licenses are valued at acquisition cost plus the costs directly attributable to bringing them to the condition necessary for the asset to be capable of operating.

The costs related to maintaining software are recognized as the costs of the period in which they are incurred.

Costs related directly to the production of unique computer software for the Company, which will probably yield economic benefits exceeding costs beyond one year, are disclosed under intangible assets and amortized over the useful life of a given asset.

d) Investment property

Investment property is property held to earn rentals or for capital appreciation or both, rather than for: a) use in production or supply of goods or services or for administrative purposes; or b) sale in the ordinary course of business. Initially, investment property is valued at acquisition cost, including transaction costs. After initial recognition, it is measured at fair value, and any gain or loss arising from a change in the fair value is recognised in profit or loss for the period in which it arises.

e) Financial instruments

1. Classification and measurement of financial assets

The Company has prepared a detailed analysis of its business models regarding the management of financial assets, as well as an analysis of characteristics of the cash flows resulting from the applicable contracts.

The Company has been recognizing financial assets in the following categories:

- measurement at amortized costs,
- measured at Fair Value through Profit or Loss,
- measured at Fair Value through other total income,

The qualification depends of the model of management of financial assets adopted by the Company and on the contractual terms of cash flows. The Company re-qualifies investments to debt instruments only when the model of managing these assets changes. Debt instruments are maintained for the purposes of contractual flows, which include solely payment of principal and interest (SPPI) are measured by the Company at amortized cost. The Company performs the SPPI test for loans granted by comparing the total of the principal and interest with the model instrument according to IFRS 9. The interest revenue is calculated by means of the effective interest rate method and shown in "interest revenue" in the financial result. Impairment write-downs are shown under the "financial assets impairment write downs." The Company assesses credit losses related to debt instruments measured at amortized cost.

In 2023 and 2024 the Company did not use external instruments for trade receivables such as factoring. In the course of an analysis of the business model for trade receivables it was determined that all trade receivables are held to be paid - the Company has not nor had plans to its trade receivables; they are all held until maturity date. The Company evaluates if the classification test according to IFRS 9, the so-called SPPI test, checking if the cash flows from receivables represent solely the principal and interest. If the test criteria are met, trade receivables are measured at amortized cost. As regards trade receivables, the Company applies a simplified approach provided for in the standard, and, consequently, measures a write-down on anticipated credit losses at an amount equal to the anticipated credit losses throughout an entire lifetime of a receivable. This approach results from the fact that the Company's receivables do not include any material financial elements within the meaning of IFRS 15. For the purposes of calculation of a write-down, the Company uses a provision matrix by means of which revaluation write downs are determined for receivables classified in different overdue ranges. This method provides for historical data related to credit losses and a potential impact of material and identifiable future factors (e.g. market or macroeconomic). The probability of non-payment of a receivable is estimated based on historical data regarding previously unpaid receivables. To assess the parameter of non-payment of receivable by a customer, the Company has created 8 ranges:

Notes to the annual separate financial statements

(in thousand PLN)

- Not overdue;
- Overdue from 1 to 30 days;
- Overdue from 31 to 60 days;
- Overdue from 61 to 90 days;
- Overdue from 91 to 180 days;
- Overdue from 181 to 270 days;
- Overdue from 271 to 360 days;
- Overdue over 360 days.

For each of the above ranges the Company estimates a non-payment parameter which takes into account historical non-payment of sales invoices by customers over a period of two years preceding the year for which financial statements are prepared. The value of the anticipated credit loss is calculated by multiplying the value of a receivable in a given range by a calculated non-payment parameter.

Number of days	Write-off level 2024	Write-off level 2024
Not overdue	0.11%	581
1-30 days	0.33%	246
31-60 days	2.98%	82
61-90 days	5.11%	24
91-180 days	21.38%	306
271 – 360 days	16.26%	120
Over 360 days	26.02%	10,352

As regards trade receivables, the Company provides also for an individual possibility of determining the anticipated credit losses. This regards in particular: receivables from liquidated or bankrupt debtors, receivables questioned by debtors and of which they are in default, other overdue receivables, as well as non-overdue receivables, where the risk of them being irrecoverable is significant according to the individual assessment of the Management Board (especially where the anticipated legal and collection costs related to an overdue amount are equal to or higher than such amount). In the above situations a write-down on receivables can be created up to 100% of their value.

Currently the Company does not identify negative changes on the market that might result in a negative impact of future factors on the scale of financial losses. The macroeconomic factors (GDP, unemployment) do not justify application of further portfolio write-downs regarding the status of receivables as at the balance sheet date.

The Company applies a 3-level classification of financial assets in terms of their impairment, with the exception of trade receivables:

- Level 1 - balances for which there has not been a significant increase of credit risk since their initial recognition, and for which an anticipated loss is determined based on the probability of non-payment of a receivable within 12 months (i.e. the total anticipated credit loss multiplied by the probability that the loss will occur within the next 12 months);
- Level 2- balances for which there has been a significant increase of credit risk since their initial recognition but there are no objective grounds for impairments, and for which an anticipated loss is determined based on the probability of non-payment of a receivable within an entire contractual lifetime of an asset;
- Level 3- balances with objective grounds for impairment.

Financial assets are recognized, in part or in full, once the Company has done everything possible to collect its receivables and decided that their recovery cannot be reasonably expected. This usually takes place when an asset is more than 360 days overdue (in the case of unrelated parties) and recoverability of receivables is deemed unlikely. Therefore, the profits and losses from changes in the fair value are not subject to further reclassification to the financial result when the Company ceases to recognize investments. Dividends from such investments are recognized in the financial result upon obtaining by the Company the right to receive respective payments.

Impairment write-downs on capital investments measured at fair value in other comprehensive income are presented under "financial asset impairment write-downs."

f) Financial liabilities other than derivatives

Debt instruments and subordinated debt are recognized as at their date.

Following their repayment, cancellation or expiration, financial liabilities are removed from the Company's books.

The Company recognizes financial liabilities other than derivatives as other financial liabilities. Such financial liabilities are initially recognized at fair value plus directly related transactional costs. Following the initial recognition, such liabilities are valued at amortized cost using the effective interest rate method.

Other financial liabilities include loans, borrowings, debt instruments, current account credits, trade and other liabilities. For details regarding the valuation of bank loans see point I.

Notes to the annual separate financial statements

(in thousand PLN)

g) Offsets

Financial assets and liabilities are offset against each other and recognized in the financial statements as a net amount only if the Company is authorized to offset particular financial assets and liabilities or intends to settle a particular transaction in net amounts of offset financial assets and liabilities items or intends to utilize financial assets subject to offsetting, and settle the financial liabilities.

h) Impairment of assets

Financial assets

Impairment losses are recognised in current period profit or loss. Impairment losses are reversed if a subsequent increase in the recoverable value can be objectively attributed to an event occurring after the impairment recognition date. For a description of the recognition of the allowance for expected credit losses under IFRS 9, see 3.4 e) Financial instruments.

Non-Financial Assets

The carrying amount of non-financial assets other than investment property, inventories and deferred tax asset is tested for impairment at each reporting date. If the Company has a reason to suspect that a given asset's value has been impaired, it estimates its recoverable amount. The recoverable amount of goodwill, intangible assets with indefinite useful lives and intangible assets which are not yet ready for use is established at each reporting date.

An impairment loss is recognised when the carrying amount of an asset or a cash-generating unit is higher than its recoverable amount. A cash-generating unit is the smallest identifiable group of assets which generates cash inflows that are largely independent of the cash flows from other assets or groups of assets. Impairment losses are recognised in current period profit or loss. Impairment of a cash-generating unit is initially recognised as a decrease in goodwill allocated to that cash-generating unit (a group of cash-generating units), and subsequently as a decrease in the carrying amount of the other assets belonging to that cash-generating unit (a group of cash-generating units) on a pro-rata basis.

The recoverable amount of assets or cash-generating units is the higher of their net realisable value and their value in use. Value in use is calculated by discounting estimated future cash flows with a pre-tax interest rate that reflects current market assessments of the time value of money and the risks specific to the asset. In the case of assets which do not generate independent cash flows, value in use is estimated for the smallest identifiable cash-generating unit to which the asset belongs.

Impairment losses on goodwill are not reversible. As far as other assets are concerned at each reporting date impairment losses recognised in prior periods are reviewed to determine if there is any evidence that they no longer exist or have decreased. An impairment loss recognised in prior periods is reversed if the estimates used to determine the asset's recoverable amount have changed. An impairment loss is reversed only up to the carrying amount of the asset (net of amortisation and depreciation) that would have been disclosed had no impairment loss been recognized.

i) Lease

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

A lessor recognizes lease interest costs and the depreciation of right-of-use assets separately.

IFRS 16 provides for exceptions from the general lease model related to short-term lease contracts (i.e. shorter than 12 months) and lease of low-value assets (e.g. laptops).

The Company has decided to apply the above exemptions provided for by the standard and recognized the fees on a straight-line basis in the profit or loss for the current period.

The standard does not introduce significant changes to the requirements related to lessors. A lessor should continue classifying lease contracts as a financial or operating lease.

The Company as a lessee

For contracts where the Company acts as lessee, a unified accounting is applied, whereby the lessee recognises assets for the right to use the leased asset in correspondence with the liability under the lease contracts. The Company has recognised the lease liabilities measured at the current value of the remaining lease payments, discounting by means of the marginal interest rate as at the date of initial application. The Company has measured the right-of-use asset for particular lease contracts (separately for each contract) in a value equal to a lease liability adjusted by previously recognized prepaid or accrued lease fees.

The assets recognized as right-of-use assets include mainly warehouse and office spaces and premises leased for the purposes of some branches.

Contracts are typically for a fixed term of 1 to 7 years or for an indefinite period of time, and may include an option to re new. Many of the leases for property leased for the Company's operations contain options to extend and terminate the lease. These are used to provide as much operational flexibility as possible in relation to the management of assets used in the Company's operations. The majority of lease extension or termination options can be exercised by the Company.

Notes to the annual separate financial statements

(in thousand PLN)

Contracts may contain leasing and non-leasing elements. The Company allocates the consideration set out in the contract to the leasing and non-leasing elements respectively. However, in the case of property leases where the Company is the lessee, the Company has elected not to separate the non-lease elements from the lease elements and recognise them as a single lease element.

Lease assets and liabilities are measured at initial recognition at present value. Lease liabilities include the net present value of the following lease payments:

- fixed lease payments (including substantially fixed lease payments) less any lease incentives payable,
- variable lease payments that depend on an index or a rate, measured initially using that index or that rate according to their value at the commencement date of the amount, that the Group expects to pay in guaranteed residual value
- the exercise price of a call option, if it can be assumed with reasonable certainty that the Company will exercise the option.

Lease payments relating to the option to extend the lease, when exercise of the option is reasonably certain, are also included in the measurement of the liability.

Lease payments are allocated between principal and finance costs. Finance costs are charged to profit or loss over the term of the lease so as to produce a constant periodic rate of interest on the outstanding balance of the lease liability for each period.

Lease payments are discounted using the lease interest rate. If this rate cannot be easily determined - which is the case for most of the Company's leases - the lessee's marginal interest rate is used.

The Company is exposed to potential future increases in variable index or rate-based lease payments, which are not included in the lease liability until they are implemented. Once the adjustments to the index-based or rate-based lease payments take effect, the lease liability is remeasured and adjusted in conjunction with the right-of-use asset.

The right-of-use asset is measured at cost, which includes:

- the amount of the initial estimation of the lease liability,
- any lease payments made on or before the commencement date less initial direct costs.
- right-of-use assets are depreciated on a linear basis over the useful life of the assets, not exceeding the lease term. In the case of the Company, this is between one and seven years.

Payments relating to short-term leases of equipment and leases of low-value assets are recognised as an operating expense, under third-party services, on a linear basis in the statement of comprehensive income. Short-term leases represent leases of 12 months or less. Low-value assets include: floor mats, printers or coffee machines.

The Company as a lessor

Premises, cars and other devices of which the Company is a lessor and which it leases out to its agents running branches are treated as a sublease. The Company sub-leases the property for the same period as the main lease agreement between the Company and the head lessor (the property owner). Therefore, the sub-leasing period represents the greater part of the economic life of the right to use the property. At the commencement date, the Company recognises the leased assets in the statement of financial position and presents them as receivables at an amount equal to the net investment in the lease of the leased assets and facilities equals the receivable under the sub-lease.

In the case of a sub-lease agreement, the Company is not released from its obligation to the head lessor once the sub-lease agreement has been entered into. According to the provision of the operating lease agreement, the space of which the Company is the lessee may be subleased, but all obligations relating to payments and maintenance of the space in an undamaged condition are to be covered by the Company. Thus, the property owner has no rights or claims against the subtenant and, in the event of the subtenant ceasing to make payments, the Company is in no way relieved of its debt to the property owner.

Determining the lease period: contracts for an indefinite period of time

According to the new approach to and interpretation of the standard, all contracts concluded for an indefinite or definite period of time with the possibility of their extension, analysed and qualified as a lease for an anticipated term of a lease contract, estimated individually for each of the contracts taking into consideration, among other things:

- potential costs related to a termination of a lease contract, including costs of entering into a new lease contract, such as the costs of its negotiation, costs of relocation, costs of identification of another base asset corresponding with the lessee's needs, costs on integrating a new asset into the Company's operations or costs of penalties for termination as well as similar costs, including costs related to returning a base asset in a condition or to a location specified in a contract, or
- existing business plans and other contracts justifying using a leased object over a given period.

Notes to the annual separate financial statements

(in thousand PLN)

Determination of the lessee's marginal interest rate

Due to the fact that the Company has no information on the interest rate for lease contracts; to measure lease liabilities it applies a marginal interest rate that it would have to pay in order to be able to borrow funds in a given currency for a similar period and with a similar security to purchase an asset of a value similar to that of a right-of-use asset in a similar economic environment.

To determine the marginal interest rate, the Company:

- uses, where possible, external financing received in the recent past as a starting point, adjusted to take into account changes in financing terms since the financing was received;
- uses a compounding method that starts from a risk-free interest rate, subsequently adjusted for credit risk for the Company's leases for which there is no recent external financing received; and
- makes adjustments specific to the lease in question, i.e. its term, country, currency and collateral.

j) Inventory

Inventories are recognised at the lower of their acquisition (production) cost or net realisable value. The cost of inventories includes all costs of acquisition and processing as well as all other costs incurred in order to bring inventories to their present location and condition.

The acquisition or production cost is determined using the FIFO method, which assumes that sales are made from the oldest available goods.

The amounts of discounts and rebates as well as other payments depending on the purchase volume reduce the purchase price regardless of the date on which they are actually granted, provided that their receipt is probable.

Net realisable value is recognised in the amount of the estimated selling price that could be obtained in the ordinary course of business, less any estimated cost of finishing the inventories and costs to sell.

The value of inventories is reduced by impairment losses recognised when the net realisable price (price less discounts, rebates and selling costs) is lower than the relevant acquisition (production) cost, determined separately for each line of inventories.

The Company receives discounts on the value of purchased goods, the amount of which depends on the annual turnover with a given supplier (including participation in a purchasing group). The Company makes the current calculation of the value of the mark-up by individually referring for each contracting party the value of the received turnover bonuses to the turnover realised in the period and the inventory held from a given contracting party. The discounts calculated this way are distributed proportionally to the value of goods sold and to the value of inventory. The value of discounts, rebates and other volume-dependent payments (except marketing, warranty and claim discounts) is recognised as a reduction in the purchase price irrespective of the date of their actual receipt.

k) Cash

Cash comprises cash on hand, in bank accounts and deposits and short-term securities with maturity of up to three months, which can be exchanged for specific monetary amounts on demand and for which the risk of changes in value is negligible.

l) Equity

In the Company's financial statements, the equity comprises:

1. Share capital disclosed in the amount specified in the Company's Articles of Association and entered into the court register,
2. Share premium disclosed as a separate item under equity. Costs of share issue are charged against equity.
3. The reserve fund created pursuant to the Code of Commercial Companies,
4. Retained profit, comprising retained profit from prior years and the profit or loss from the current financial period.

m) Loans and borrowings

Loans and borrowings are initially recognised at acquisition cost, equal to their respective fair value, the determination of which includes cost of contracting a loan as well as discounts and bonuses received at the time of the liabilities settlement

In subsequent periods, loans and borrowings are measured at amortised cost using the effective interest rate. The company removes a liability from the statement of financial position when the obligation specified in the contract is fulfilled, cancelled or extinguished. The difference between the carrying amount of the financial liability that is extinguished and the amount paid is recognised in profit or loss as a finance cost.

n) Trade payables

Trade payables represent obligations to pay for goods and services purchased in the ordinary course of business from suppliers. Trade payables are classified as current payables if the payment term is within one year (or in the ordinary course of business if longer). Otherwise, the payables are shown as non-current.

Liabilities other than financial liabilities measured at fair value through profit or loss are measured at adjusted cost at the balance sheet date. In case of short-term liabilities, this valuation corresponds to the amount payable.

Notes to the annual separate financial statements

(in thousand PLN)

Trade payables for goods are reduced by the value of trade bonuses due from suppliers up to the amount of the liability to each supplier in detail, if the criteria under IAS 32, par. 42 allow them to be set off against liabilities (i.e. there is a currently enforceable right of set-off) Excess trade bonuses due from suppliers are presented under the balance sheet item Trade and other receivables.

o) Provisions

A provision is recognised when an entity has a present obligation (whether legal or constructive) resulting from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

p) Revenues

The fundamental principle of IFRS 15 is to recognise revenue when goods and services are transferred to the customer, at a value that reflects the price expected by the Company in exchange for the transfer of those goods and services. These principles are applied using a five-step model:

- identification of the contract with the customer,
- identification of the performance obligation under the contract with the customer,
- identification of the transaction price,
- allocation of the transaction price to the individual performance obligations,
- recognition of revenue when the performance obligation under the contract is met.

Identification of a contract with a customer

The Company recognises a contract with a customer only when all of the following criteria are met:

- the parties to the contract have entered into an agreement (whether in writing, orally or in accordance with other customary commercial practices) and are obliged to perform their obligations;
- The Company is able to identify the rights of each party concerning the goods or services to be transferred;
- The Company is able to identify the terms of payment for the goods or services to be transferred;
- the contract has economic substance (i.e. the risk, timing or amount of the Company's future cash flows can be expected to change as a result of the contract); and
- it is probable that the Company will receive the consideration to which it is entitled in exchange for the goods or services to be transferred to the customer.

In assessing whether it is probable that an amount of consideration will be received, the Company considers only the customer's ability and intention to pay the amount of consideration in a timely manner. The amount of consideration to which the Company will be entitled may be less than the contract price if the consideration is variable because the Company may offer the customer a price concession.

Identification of performance obligations

At the conclusion of the contract, the Company evaluates the goods or services promised in the contract with the customer and identifies as a performance obligation any promise to transfer to the customer a good or service (or bundle of goods or services) that is separable or a group of separate goods or services that are substantially the same and for which the transfer to the customer is of the same nature.

The good or service promised to the customer is distinct if both of the following conditions are met:

- the customer can benefit from the good or service either directly or through a link to other resources that are readily available to the customer, and
- the Group's obligation to transfer the good or service to the customer can be identified as separate from other obligations in the contract.

Determination of the transaction price

In determining the transaction price, the Company takes into account the terms of the contract and its customary business practices. The transaction price is the amount of consideration that the Company expects to receive in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, certain sales taxes).

Allocation of the transaction price to performance obligations

The Company attributes a transaction price to each performance obligation (or separate good or separate service) in an amount that reflects the amount of consideration that the Company expects to receive in exchange for transferring the promised goods or services to the customer.

Fulfilment of performance obligations

The Company recognises revenue when it has fulfilled (or is in the process of fulfilling) its performance obligation by transferring the promised goods or services to the customer.

Notes to the annual separate financial statements

(in thousand PLN)

In respect of contracts for continuing services under which the Company has the right to receive remuneration from the customer in an amount that corresponds directly to the value to the customer of the service provided to date, the Company recognises revenue in the amount that it is entitled to invoice.

The Company is not obliged to accept returns of goods and products sold; however, it grants customers the opportunity to return goods under the terms and conditions set out in the General Terms of Sale (GTS). When an asset is transferred to a customer (when the customer obtains control over the asset). The Company may enter into agreements with customers containing variable remuneration (revenue) amounts resulting from discounts, rebates or performance bonuses granted. Such an agreement provides for purchase thresholds based on appropriate increases, beyond which the customer receives a bonus. Normally, the contract is concluded for a period of one year, settled in quarterly cycles.

Receivables

Under receivables, the Company recognises rights to remuneration in exchange for goods or services that it has provided to the customer, if the right is unconditional (the only condition for the remuneration to be due is the passage of a specified period of time).

Guarantees

All goods offered by the Company, regardless of the distribution channel, are covered by either a warranty or guarantee. As the Company does not use additional agreements or arrangements in the scope of guarantees, and the guarantee granted results from the necessity for the Company to ensure that the goods comply with their specification, the liabilities on this account were and are recognised in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Material payment terms

Granting of a deferred payment to the purchaser of the goods (Customer) for the purchased goods takes place after verification of the documents provided by the Customer showing his formal and legal situation. Standard payment terms for customers are 7-, 14-, 21- or 30-days credits. Granting a credit longer than 30 days requires a separate approval of the persons responsible for the Company's credit policy.

There is no material financing element in the Company's customer contracts.

q) Operating expenses

Operating expenses are disclosed in the period to which they relate, in the amount of a probable reduction of the entity's economic benefits which can be measured reliably.

The costs charged to the Company by its affiliate branches as compensation for the sale of goods for resale performed on behalf of the Company are recognised in the period to which they relate.

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. External entities (branch entities) employ workers and cover current costs of functioning from revenue, which is share in generated margin on sales of goods. Settlement of share in margin is made in monthly periods. The Company provides organizational and logistic knowledge, capital, vendors of parts, full product range and its availability, trade mark. Branch entity contributes the knowledge of local market and experienced employees to Inter Cars. Risk of activities of a given entity (branch) is borne by the entrepreneur that, by running own business, optimizes the resources that remain at their disposal.

Expense on the lease of office and warehouse space is recognised in profit or loss in the period to which it relates. Re-invoiced amounts reduce the respective cost items of the Company

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.

r) Dividend

Dividends from investments in subsidiaries are recognised in profit or loss under the 'Dividends received' when the Company acquires the right to receive the payment. Dividends received are presented in a separate line in the Statement of Comprehensive Income.

s) Other operating income

Other operating income is income indirectly related to the operating activities of the entity, in particular: gain on disposal of non-financial non-current assets, assets received free of charge (including by way of donation), compensation, revaluations of non-financial assets, income from social activities, income from complaints, non-trading bonuses, income related to random events and income resulting from the calculation of transfer prices.

t) Financial revenues

Financial income mainly comprises income from the sale of financial assets, interest on loans granted and interest on late payment of receivables.

u) Financial expenses

Finance expenses include primarily interest payable on borrowings, dividend on preference shares classified as liabilities, foreign exchange losses, losses resulting from changes in the fair value of financial instruments at fair value through profit or

Notes to the annual separate financial statements

(in thousand PLN)

loss, and financial assets impairment as well as gains or losses related to hedging instruments which are recognised in profit or loss. All interest payable is measured using the effective interest rate.

v) Income tax

Income tax covers the current and the deferred part. The calculation of current income tax is based on the profit of a given period determined according to the valid tax regulations. The total income tax charge is the aggregate of its current portion and deferred portion, determined with the balance-sheet method; the deferred income tax is recognised in connection with temporary differences between the values of assets and liabilities as disclosed in the accounting books and their respective values determined for tax purposes, and also for expected tax losses.

Deferred tax is not recognised in the following cases:

temporary differences resulting from initial recognition of assets or liabilities related to a transaction other than a merger, which does not affect the profit or loss of the current period nor the taxable income;

temporary differences resulting from investments in subsidiaries in the period when it is unlikely that they will be sold in a foreseeable future;

temporary differences resulting from initial recognition of goodwill.

Deferred income tax is determined with the use of the tax rates, which, according to forecasts, will be applied when the temporary differences will reverse. The tax regulations legally or actually binding up to the reporting date will apply.

Deferred tax assets and deferred tax liabilities are offset if the Company has an enforceable legal right to set off current tax liabilities and assets and provided that the deferred tax assets and liabilities relate to income taxes imposed by the same tax authority on the same taxpayer or on different taxpayers who intend to settle income tax liabilities and receivables on a net basis or to realise the receivable and settle the liability simultaneously.

w) Measurement of the value of shares in subordinated entities

Equity interests in subordinated undertakings are valued at acquisition cost less impairment losses.

The price of purchase of shares in subordinated entities taken up against an in-kind contribution is determined based on the carrying value of the contribution as at its date. The value is assessed on the basis of data included in the separate financial statements.

4. SIGNIFICANT EVALUATIONS AND ESTIMATES

The preparation of the financial statements in conformity with the EU IFRS requires the Company's Management Board to make judgements and estimates which affect the application of the accounting policies and reported amounts of assets and liabilities, income and expenses. Evaluations and estimates are reviewed on an ongoing basis. Revisions to the estimates are recognised as profit or loss of the period in which the estimate is revised. Information on particularly significant areas subject to judgements and estimates which affect the financial statements is disclosed in the following notes:

- Note 14 Impairment losses on stock (the Management Board analyses whether or not there is a possibility of impairment of stock. In the event of identification of impairment, net obtainable values are to be evaluated),
- Note 15 Impairment loss on receivables (as at the balance sheet date, the Company evaluates whether or not there is evidence of impairment of a receivable or a group of receivables. If the recoverable value of an asset is lower than its carrying value, the Company creates an impairment loss to the level of the current value of planned cash flows), In line with the requirements of IFRS 9, the Company uses the expected credit loss (ECL) model for estimating the impairment of trade receivables. Under this model, expected credit losses on receivables from contractors are estimated based on historical, current and forecast data. The ECL model takes into account, among other things, past due indicators, the contractor risk profile, as well as macroeconomic conditions that may affect debtors' ability to pay.
- Note 7/9 Impairment loss on property, plant and equipment, estimates as to the useful economic life of property, plant and equipment and intangible assets
- The value of rates and impairment losses is determined based on the anticipated useful economic life of a property, plant and equipment or intangible assets item; the useful economic life periods are verified at least once during each financial year. The Management Board of the Company also evaluates whether or not there is the possibility of impairment losses on assets. If an impairment loss is identified, the recoverable value of assets must be determined.
- Note 12 Impairment losses on interests in subsidiary companies.

The Management Board evaluates whether or not there is the possibility of impairment losses on assets. If an impairment loss is identified, the recoverable value of assets must be determined.

- Note 21 Liabilities and receivables due to lease transformed into sub-lease

According to the assessment of the Company's Management Board, the agreements for the lease of warehouse and office space intended for branch operations, where the Company, on the one hand, is the lessee (leases space from third parties)

Explanatory information is an integral part of annual separate financial statements

Notes to the annual separate financial statements

(in thousand PLN)

and, on the other hand, is the lessor (leases the same space to the branch owner), contain a lease. The ultimate party to the agreement is the branch owner, who has the right to receive substantially all the economic benefits of the space used and the right to manage the asset.

- Note 20/21 Lease liabilities/ Liabilities and receivables due to lease transformed into sub-lease

All leases entered into for an indefinite or fixed term with the possibility of renewal have been analysed in detail and classified as leases for the expected lease term individually estimated for each contract, taking into account existing business plans and other contracts justifying using a leased object over a given period. The assumed lease term is subject to update at the end of each quarter when the option to extend or reduce the lease term is exercised. For contracts without a contractually specified

end date, the previously assumed lease term is extended by a further three months or reduced to its actual value if, in the opinion of the Management Board, there is economic and business justification for doing so.

- Note 14 Inventories, Note 15 Trade and other receivables, Note 22 Trade and other payables

One of important estimates of the Management Board of the Company are the estimates on trade bonuses from suppliers on purchase of trade goods. Bonuses for the Company, calculated on realization of purchase plans, are included in expected values and included in the results or inventories, proportionally to rotation of sold merchandise.

- Note 9 Intangible assets

The Company performs impairment tests for goodwill on an annual basis. For the 2024 and 2023 reporting periods, the recoverable value of cash-generating units was determined based on a value-in-use calculation that required the use of assumptions. The calculations use cash flow projections based on five-year financial budgets approved by management. Cash flows beyond the five-year period are extrapolated using estimated growth rates. These growth rates are in line with industry forecasts.

5. INFORMATION ON BUSINESS SEGMENTS

Information about operating segments is presented in the consolidated financial statements of the Inter Cars S.A. Capital Group as operating segments are identified at the Group level.

6. SUPPLEMENTARY INFORMATION

For information on key products and services and the geographical breakdown of sales, see Note 24.

The vast majority of the Company's non-current assets are situated in Poland. The Company is unable to identify separate groups of assets corresponding to the geographical breakdown of sales.

The Company does not have key customers due to the nature of its operations. For more information see Note 15.

7. TANGIBLE FIXED ASSETS

	31/12/2024	31/12/2023
Land	22,082	19,086
Buildings and structures	53,276	56,168
Plant and machinery	13,483	15,861
Vehicles	340	15,136
Other tangible assets	18,439	22,064
Tangible assets under construction	1,032	29
Total property, plant and equipment net	108,652	128,344

None of the property, plant and equipment held by the Company is restricted. Land properties owned by Inter Cars S.A. with a value of PLN 48,112 thousand. according to the valuation of 27 February 2018, are mortgaged to secure a loan granted by a consortium of banks.

Borrowing costs

The borrowing costs charged to property, plant and equipment for the reporting and previous year amount to PLN 0.

Notes to the annual separate financial statements

(in thousand PLN)

Property, plant and equipment (cont.)

GROSS VALUE OF PROPERTY, PLANT AND EQUIPMENT	Land	Buildings and structures	Plant and equipment	Vehicles	Other tangible assets	Tangible	Total
						assets under constructio n	
Gross value as at 01 January 2023	18,217	94,802	52,915	17,808	106,390	1,147	291,279
Increase:	869	1,342	2,838	9,019	16,975	(1,118)	29,925
Acquisition	869	200	2,807	9,019	16,975	55	29,925
Transfer	-	1,142	31	-	-	(1,173)	-
Decrease:	-	54	124	4,408	592	-	5,178
Sale	-	54	-	3,415	457	-	3,926
Liquidation	-	-	124	993	135	-	1,252
Gross value as at 31 December 2023	19,086	96,090	55,629	22,419	122,773	29	316,026
Increase:	2,996	-	4,560	174	4,213	1,003	12,946
Acquisition	2,996	-	4,560	174	4,213	1,003	12,946
Lease	-	-	-	-	-	-	-
Decrease:	-	564	2,865	21,974	3,826	-	29,229
Sale	-	564	141	-	78	-	783
Transfer	-	-	-	-	55	-	55
Transfer to PdU	-	-	-	21,919	-	-	21,919
Liquidation	-	-	2,724	55	3,693	-	6,472
Gross value as at 31 December 2024	22,082	95,526	57,324	619	123,160	1,032	299,743
DEPRECIATION AND IMPAIRMENT LOSSES							
DEPRECIATION							
Amortisation and impairment losses as at 01 January 2023	-	37,062	35,168	5,673	92,017	-	169,920
Amortisation for period	-	2,883	4,724	4,590	9,081	-	21,278
Sale	-	(23)	-	(2,810)	(253)	-	(3,086)
Liquidation	-	-	(124)	(170)	(136)	-	(430)
Amortisation and impairment losses as at 31 December 2023	-	39,922	39,768	7,283	100,709	-	187,682
Amortisation for period	-	2,892	6,938	184	7,803	-	17,817
Sale	-	(564)	(141)	-	(49)	-	(754)
Transfer	-	-	-	-	(55)	-	(55)
Transfer to PdU	-	-	-	(7,133)	-	-	(7,133)
Liquidation	-	-	(2,724)	(55)	(3,687)	-	(6,466)
Amortisation and impairment losses as at 31 December 2024	-	42,250	43,841	279	104,721	-	191,091
NET VALUE							
As at 01 January 2023	18,217	57,740	17,747	12,135	14,373	1,147	121,359
As at 31 December 2023	19,086	56,168	15,861	15,136	22,064	29	128,344
As at 01 January 2024	19,086	56,168	15,861	15,136	22,064	29	128,344
As at 31 December 2024	22,082	53,276	13,483	340	18,439	1,032	108,652

Explanatory information is an integral part of annual separate financial statements

8. RIGHT-OF-USE ASSETS

Right-of-use assets mainly result from office leases.

	Office, warehouse space, branches and other	Vehicles	Total
GROSS VALUE OF BENEFICIAL INTEREST			
Value as at 01 January 2023	46,471	-	46,471
Conclusion of new agreements	6,309	-	6,309
Decreases	-	-	-
Value as at 31 December 2023	52,780	-	52,780
Value as at 01 January 2024	52,780	-	52,780
Conclusion of new agreements	7,142	5,722	12,864
Transfer from FA	-	21,919	21,919
Decreases	201	4,000	4,201
Value as at 31 December 2024	59,721	23,641	83,362
AMORTISATION AND IMPAIRMENT LOSSES			
Amortization as at 01 January 2023	19,173	-	19,173
Amortization and depreciation	5,511	-	5,511
Amortization as at 31 December 2023	24,684	-	24,684
Amortization as at 01 January 2024	24,684	-	24,684
Amortization and depreciation	5,498	5,408	10,905
Transfer from FA	-	7,133	7,133
Decreases	-	2,306	2,306
Amortization as at 31 December 2024	30,182	10,235	40,417
NET VALUE			
As at 01 January 2023	27,298	-	27,298
As at 31 December 2023	28,096	-	28,096
As at 31 December 2024	29,539	13,496	42,945

In 2024, increases due to the conclusion of new contracts for the lease of office and warehouse space, points of sale and other assets amounted to PLN 1,581 thousand. The remaining amount of the increases, i.e. PLN 5,561 thousand, is due to an update of the lease extension for the assets.

Gross decreases relate to the shortening or expiry of the lease term.

Depreciation and amortisation are recognised under Cost, general and administrative expenses in the Statement of Comprehensive Income.

Notes to the annual separate financial statements

(in thousand PLN)

9. INTANGIBLE ASSETS

	31/12/2024	31/12/2023
Goodwill, including:	122,937	122,937
- goodwill from merger with JC Auto S.A.	122,937	122,937
Computer software	17,886	14,464
Other intangible assets, including:	53,851	53,365
- other	21,644	28,490
- under construction	32,207	24,875
	194,674	190,766

Intangible assets under lease agreements

As at 31 December 2024, as in the previous year, the Company held no intangible values resulting from lease contracts. None of the intangible assets held by the Company is subject to limited right of use.

Borrowing costs

The borrowing costs charged to intangible values for the reporting year amount to PLN 0.

Notes to the annual separate financial statements

(in thousand PLN)

GROSS VALUE OF INTANGIBLE ASSETS	Computer software	Other intangible assets	Goodwill	Under construction	Total
Gross value as at 01 January 2023	84,891	85,190	122,937	13,065	306,083
Acquisition	3,328	-	-	16,284	19,612
Transfer from investments	4,474	-	-	(4,474)	-
Liquidation	(642)	-	-	-	(642)
Gross value as at 31 December 2023	92,051	85,190	122,937	24,875	325,053
Acquisition	986	-	-	16,709	17,695
Transfer from investments	9,377	-	-	(9,377)	-
Gross value as at 31 December 2024	102,414	85,190	122,937	32,207	342,748
AMORTISATION AND IMPAIRMENT LOSSES					
Amortisation and impairment losses as at 01 January 2023	69,795	49,850	-	-	119,645
Amortisation for period	8,434	6,850	-	-	15,284
Liquidation	(642)	-	-	-	(642)
Amortisation and impairment losses as at 31 December 2023	77,587	56,700	-	-	134,287
Amortisation for period	6,941	6,846	-	-	13,788
Amortisation and impairment losses as at 31 December 2024	84,528	63,546	-	-	148,075
NET VALUE					
As at 01 January 2023	15,096	35,340	122,937	13,065	186,438
As at 31 December 2023	14,464	28,490	122,937	24,875	190,766
As at 01 January 2024	14,464	28,490	122,937	24,875	190,766
As at 31 December 2024	17,886	21,644	122,937	32,207	194,674

The amortisation value of intangible assets has been recognised in selling, general and administrative expenses.

10. IMPAIRMENT TEST

The Company performed an impairment test, at the Group level of the cash generating units (CGUs) to which the goodwill from the merger with JC Auto was allocated, which is included in the parts segment. The recoverable amount was based on an estimation of value in use. No impairment was identified based on the test.

The value in use is the estimated present value of future cash flows generated by the spare parts segment. The material assumption made for the purposes of estimating the recoverable value are presented below:

- Cash flow projections used to estimate the value in use estimated for the entire group of CGUs that fall into the spare parts segment.
- The data used for the estimates for 2025-2027 was prepared based on the approved budget and provides for a 4.8% increase of EBIT (operating profit before interest and tax), whereas the data for 2028-2029 prepared based on the financial forecasts of the Inter Cars Group provide for an annual increase of EBIT of approx. 4.8% and annual revenue growth of around 12%.
- Cash flow for the following years was estimated based on annual revenue growth rate of 12% and annual EBIT growth of 4.8%
- The discount rate used to calculate the value in use was 12% and was estimated based on the weighted average cost of capital (WACC)
- The gross discount rate used was 14.8% and was based on the weighted average cost of capital (WACC) before tax.
- The surplus of the recoverable value over the book value of the tested assets amounted to PLN 665 million.

The Board did not define any key assumptions, a change of which in a rational extend, might lead to a loss in value of money generating operations (including goodwill), for the CGUs as a whole, which fall into the spare parts segment.

In the previous year, the assumptions for the impairment test performed were as follows:

- Projections of cash flows used to estimate the value in use estimated for the whole segment of spare parts.
- The data used for the estimates for 2024 was prepared based on the approved budget and provides for a 5.6% increase of EBIT (operating profit before interest and tax), whereas the data for 2025-2028 prepared based on the financial forecasts of the Inter Cars Group provide for an annual increase of EBIT of approx. 5.5% and annual revenue growth of around 13.8%.
- Cash flow for the following years was estimated based on annual revenue growth rate of 13.8% and annual EBIT growth of 5.5%
- The discount rate used to calculate the value in use was 13.7% and was estimated based on the weighted average cost of capital (WACC)
- The gross discount rate used was 16.9% and was based on the weighted average cost of capital (WACC) before tax.
- The surplus of the recoverable value over the book value of the tested assets amounted to PLN 2,178 million.

11. REAL ESTATE AVAILABLE FOR SALE

As at 31 December 2024 the Company did not have any real estate available for sale.

12. INVESTMENTS IN SUBORDINATED ENTITIES

	<u>2024</u>	<u>2023</u>
As at 1 January (gross)	516,661	508,958
<i>Increase, including:</i>	<i>24,577</i>	<i>7,891</i>
- increase in share capital in NV Inter Cars Belgium	3,024	-
- increase in share capital in ILS Adriatic Logistica d. o.o.	8,609	-
- increase in share capital in Armatus Sp. z o.o.	1,733	-
- increase in share capital in ILS Sp. z o.o.	8,620	-
- contribution to the share capital in TK Dystrybucja Sp. z o.o.	5	-
- contribution to the share capital in WZ Dystrybucja Sp. z o.o.	5	-
- contribution to the share capital ILS Adriatic Logistica d.o.o.	-	11
- increase in share capital in Inter Cars Hungaria Kft.	-	0.11
- conversion of receivables into reserve capital in Inter Cars Hungaria kft	-	4,443
- increase in share capital in OOO Inter Cars Automobilna Technika	-	188
- contribution to the share capital Inter Cars Albania SHA	-	153
- increase in share capital in Inter Cars Deutschland GmbH	2,581	1,906
- transfer from other assets (Partslife kft and GmbH)	-	1,189
<i>Decrease, including:</i>	<i>(8,620)</i>	<i>(188)</i>
- impairment of shares in OOO Inter Cars Automobilna Technika	-	(188)
- exchange of shares in ILS Adriatic Logistica d. o.o.	(8,620)	-
As at 31 December (gross):	<u>532,618</u>	<u>516,661</u>
- impairment on Inter Cars Hungaria Kft.	(611)	(611)
As at 31 December (net)	<u>532,007</u>	<u>516,050</u>

In 2024, share capital increases were made in: Inter Cars Belgium NV (PLN 3,024 thousand), ILS Adriatic Logistica d. o.o. (PLN 8,609 thousand), Armatus Sp. z o.o. (PLN 1,733 thousand), Inter Cars Deutschland GmbH (PLN 2,581 thousand) and ILS Sp. z o.o. (PLN 8,620 thousand), through the transfer of shares in ILS Adriatic Logistica d.o.o..

Two subsidiaries were also established and the share capital paid up: WZ Dystrybucja Sp. z o.o. (PLN 5 thousand) and TK dystrybucja Sp. z o.o. (PLN 5 thousand).

Impairment test on shares

The company carried out an impairment test for Inter Cars Ukraine LLC, Inter Cars Deutschland GmbH, Inter Cars Belgium NV, Armatus and IC Development & Finance Sp. z o.o.. The recoverable amount was determined based on an estimate of value in use, defined as the estimated present value of the future cash flows generated by these entities.

Based on the tests carried out, it was concluded that for most of the companies analysed there were no indications of impairment of the shares, with the exception of Armatus Sp. z o.o. and IC Development & Finance Sp. z o.o. In their case, the recoverable value estimated by the tests turned out to be lower than the book value of the shares held.

Despite the identified difference between the book value and the recoverable amount, the Company's Management Board did not decide to write down the shares of these entities. The potential write-down was considered to be immaterial from both the separate and consolidated financial statements of the Inter Cars Group.

At the same time, the Management Board emphasises that Armatus Sp. z o.o., in its current form, is in the initial phase of operations within the Group structure. This company shows significant growth potential, particularly in the area of electric car sales. It is anticipated that the operational measures taken, the changing market environment and the development of the sales segment will improve the company's financial performance in the years to come, which may consequently have a positive impact on its value.

The material assumption made for the purposes of estimating the recoverable value are presented below:

- The data used for the estimates for 2025 was prepared based on the approved budget and provides for a 0% to 3.6% increase of EBIT, whereas the data for 2026-2029 prepared based on the financial forecasts of the Inter Cars Group provide for an annual increase of EBIT of approx. 1% to 3.7%.
- Cash flows for remaining years were estimated based on a real growth rate of 2.2% to 8.4%,
- The discount rate used to calculate the value in use was 9.1% for Inter Cars Belgium NV, 9% for Inter Cars Deutschland GmbH, 24% for Inter Cars Ukraine LLC and 12% for Armatus and IC Development & Finance Sp. z o.o., and was estimated on the basis of the weighted average cost of capital (WACC).
- The surplus of the recoverable value over the book value of the tested assets amounted respectively to: PLN 15,300 thousand for Inter Cars Belgium NV, PLN 14,337 thousand for Inter Cars Deutschland GmbH and PLN 27,601 thousand for Inter Cars Ukraine LLC.

The Board did not identify any key assumptions that, if changed to a reasonably expected extent, would lead to an impairment of the recoverable amount of the shares of the above companies.

Notes to the annual separate financial statements

(in thousand PLN)

Interest in subsidiaries as at 31/12/2024

Name and legal form of associate	Registered seat	Date of control take-over	Carrying amount of shares (in PLN thousand)	Percentage of share capital/ total vote held	Associate's assets	Liabilities	Revenues	Net (loss)	profit
Inter Cars Ukraine LLC	Khmelnitsky, Ukraine	04.2000	36,532	100%	157,310	73,307	645,238		26,019
Q-Service Sp. z o.o.	Cząstków Mazowiecki, Poland	04.2000	416	100%	89,276	47,200	343,057		41,661
Lauber Sp. z o.o.	Stupsk, Poland	07.2003	1,565	100%	122,400	91,967	100,140		1,158
Inter Cars Ceska Republika	Prague, Czech Republic	04.2004	13,866	100%	196,550	162,671	696,574		10,929
Inter Cars Slovenska Republika	Bratislava, Slovakia	08.2005	21	100%	168,172	127,628	599,721		11,726
Feber Sp. z o.o.	Warsaw, Poland	08.2004	30,011	100%	54,547	4,094	68,930		1,220
Inter Cars Lietuva	Vilnius, Lithuania	09.2006	1,058	100%	146,966	113,282	732,488		18,872
IC Development & Finance Sp. z o.o.	Warsaw, Poland	10.2006	3,785	100%	5,564	11,459	165		124
Inter Cars d.o.o.	Zagreb, Croatia	02.2008	18,471	100%	507,217	436,471	967,214		16,559
Inter Cars Hungaria Kft.	Budapest, Hungary	02.2008	54,712	100%	257,865	199,940	721,637		4,422
Inter Cars Italia s.r.l.	Milan, Italy	02.2008	2,952	100%	53,305	36,280	154,935		2,505
Inter Cars Belgium NV	Braine-le-Château, Belgium	02.2008	4,432	100%	14,675	12,462	18,394		1,200
Armatus Sp. z o.o.	Warsaw, Poland	02.2008	3,944	100%	14,492	14,467	4,054		-1,717
Inter Cars Romania s.r.l.	Cluj-Napoca, Romania	07.2008	63,005	100%	934,680	748,297	1,675,101		37,599
Inter Cars Latvija SIA	Mārupes nov., Mārupe, Latvia	08.2010	12	100%	256,409	126,189	910,009		31,632
Inter Cars Cyprus Limited	Nicosia, Cyprus	10.2010	47	100%	93,715	26,364	-		1,726
Inter Cars Bulgaria Ltd.	Sofia, Bulgaria	03.2011	21	100%	719,824	575,598	1,611,878		45,524
Cleverlog-Autoteile GmbH	Berlin, Germany	03.2011	524	100%	21,674	12,949	459,760		5,339
Inter Cars Marketing Services Sp. z o.o.	Warsaw, Poland	05.2012	6,280	100%	629,826	71,104	171,731		70,231
ILS Sp. z o.o.	Swobodnia, Poland	10.2012	263,424	100%	956,455	491,201	1,021,886		23,141
Inter Cars Malta Holding Limited	Qormi, Malta	02.2013	19	100%	525,997	310,690	566,617		34,526
Q-service Truck Sp. z o.o.	Warsaw, Poland	12.2013	9,035	100%	73,222	33,137	197,790		1,037
Inter Cars Eesti OÜ	Tallinn, Estonia	12.2014	222	100%	62,956	29,161	294,712		9,244
Inter Cars d.o.o.	Ljubljana, Slovenia	12.2014	3,258	100%	141,631	125,508	245,022		2,971
Inter Cars Piese Auto s.r.l.	Kishinev, Moldova	03.2015	1	100%	92,187	49,865	243,767		15,824
Inter Cars d.o.o.	Sarajevo, Bosnia and Herzegovina	10.2016	3,042	100%	112,661	97,007	208,988		4,283
Inter Cars GREECE Ltd.	Attiki, Greece	11.2016	2,050	100%	559,505	512,911	697,938		18,994
Inter Cars United Kingdom - automotive technology Ltd	Tipton, Great Britain	09.2017	-	100%	13,228	9,887	37,344		413
Inter Cars d.o.o. Beograd Rakovica	Belgrade, Serbia	08.2019	1,698	100%	113,351	94,781	301,271		8,504
Inter Cars Fleet Services Sp. z o.o.	Warsaw, Poland	08.2019	1,000	100%	35,966	30,126	137,218		2,368

Explanatory information is an integral part of annual separate financial statements

Notes to the annual separate financial statements

(in thousand PLN)

Inter Cars Norge AS	Oslo, Norway	08.2021	26	100%	927	1,802	(15)	(435)
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Interests in subsidiaries (cont.)

Name and legal form of associate	Registered seat	Date of control take-over	Carrying amount of shares (in PLN thousand)	Percentage of share capital/ total vote held	Associate's assets	Liabilities	Revenues	Net profit (loss)
Inter Cars Deutschland GmbH	Berlin, Germany	11.2022	4,618	100%	22,561	18,469	29,711	749
Inter Cars Albania SHA	Tirana, Albania	11.2023	153	100%	8,129	9,320	2,572	(1,317)
WZ Dystrybucja Sp. z o.o.	Warsaw, Poland	04.2024	5	100%	737	1	9,836	731
TK Dystrybucja Sp. z o.o.	Warsaw, Poland	04.2024	5	100%	5	-	-	-
			530,210		7,163,985	4,705,595	13,875,683	447,762

Interests in indirect subsidiaries - as at 31 December 2024

Name and legal form of associate	Registered seat	Date of control take-over	Carrying amount of shares (in PLN thousand)	Percentage of associate share capital/ total vote held	Associate's assets	Liabilities	Revenues	Net profit (loss)
Inter Cars Malta Ltd	Qormi, Malta	02.2013	Not applicable	100%	508,095	450,595	566,617	34,686
Aurelia Auto d o	Croatia	01.2012	Not applicable	100%	555	1,583	89	39
ILS Adriatic d.o.o.	Vukovci, Croatia	07.2023	Not applicable	100%	107,191	84,725	43,564	1,817
ILS Balkan srl.	Bucharest, Romania	09.2023	Not applicable	100%	217,628	7,775	-	(6,914)

Share in jointly-controlled entities – as at 31 December 2024

Name and legal form of associate	InterMeko Europe sp. z o.o.	DANXILS Sp. z o.o.
Registered seat	Warsaw	Swobodnia
Balance sheet value of shares (in thousand PLN)	566	2,269
Percentage of share capital/ total vote held	50%	50%*
Non-current assets	1,724	239
Current assets	4,939	3,102
Short-term liabilities	348	2,833
Revenues	6,012	16,161
Net profit / loss	1,382	(3,960)

* indirectly through ILS Sp. z o.o.

Explanatory information is an integral part of annual separate financial statements

Notes to the annual separate financial statements

(in thousand PLN)

13. DEFERRED TAX

Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities were recognized for the following assets and liabilities:

As at 31 December 2024	Assets	Provision
Intangible assets	-	1,042
Tangible fixed assets	-	9,032
Long-term receivables	150	-
Investments in subordinated entities	116	-
Inventory	73,132	31,964
Trade and other receivables	10,028	9,921
Borrowings	137	2,477
Lease liabilities	6,726	-
Long-term liabilities	-	1,860
Trade and other payables	59,490	201,165
Deferred tax assets/liabilities	<u>149,779</u>	<u>257,461</u>
Deferred tax offset against liabilities	<u>(149,779)</u>	<u>(149,779)</u>
Deferred tax liabilities as disclosed in the balance sheet	<u>-</u>	<u>107,682</u>
As at 31 December 2023	Assets	Provision
Intangible assets	-	1,156
Tangible fixed assets	-	9,714
Long-term receivables	150	-
Investments in subordinated entities	116	-
Inventory	57,852	25,890
Trade and other receivables	14,398	13,752
Borrowings	245	2,553
Lease liabilities	6,549	-
Long-term liabilities	24	1,826
Trade and other payables	49,325	172,994
Deferred tax assets/liabilities	<u>128,659</u>	<u>227,885</u>
Deferred tax offset against liabilities	<u>(128,659)</u>	<u>(128,659)</u>
Deferred tax liabilities as disclosed in the balance sheet	<u>-</u>	<u>99,226</u>

The most significant deferred tax item is trade payables. It results from the temporary difference between the tax and balance sheet value arising from trade bonuses from suppliers.

In the presented periods, deferred tax was recognized for all the all items in the Statement of Financial Position which represented temporary differences

Notes to the annual separate financial statements

(in thousand PLN)

	2024	2023
Change in deferred tax assets		
As at beginning of period	128,659	105,930
increase	21,120	22,729
As at end of period	<u>149,779</u>	<u>128,659</u>
Change in deferred tax liabilities		
As at beginning of period	227,885	159,591
committed in the reporting period	29,576	68,294
As at end of period	<u>257,461</u>	<u>227,885</u>

Changes in deferred tax have been recognised in full in the Statement of Comprehensive Income under income tax.

	31/12/2023	Effect on net profit	31/12/2024
Deferred tax assets	128,659	21,120	149,779
Deferred tax liabilities	(227,885)	(29,576)	(257,461)
	<u>(99,226)</u>	<u>(8,456)</u>	<u>(107,682)</u>

14. INVENTORY

	31/12/2024	31/12/2023
Merchandise	2,597,913	2,339,023
Provision for the right to return merchandise	168,234	136,261
	<u>2,766,147</u>	<u>2,475,284</u>
Merchandise	2,772,029	2,480,124
Impairment losses	(5,882)	(4,840)
	<u>2,766,147</u>	<u>2,475,284</u>
Change in impairment losses on inventories		
	2024	2023
As at beginning of period	(4,840)	(3,990)
(increase)	(1,042)	(850)
As at end of period	<u>(5,882)</u>	<u>(4,840)</u>

The amount of the increase in the inventory write-down of PLN 1,042 thousand was recognised in the statement of comprehensive income under other operating expenses.

The Company receives discounts from suppliers which, in the part corresponding to the goods purchased and sold in the period, are recognised as a reduction in the cost of products, goods and materials sold. The balance of such discounts is charged to inventories.

Notes to the annual separate financial statements

(in thousand PLN)

Inventory (cont.)

Inventories in the form of goods for resale kept at the Central Warehouse, regional distribution centres and affiliate branches are covered by fire and all-risk insurance, as well as by insurance against burglary with theft and robbery.

The Company's inventories are included in the inventories of the Inter Cars Group as collateral for the bank loan. According to the loan agreement, the inventories of the entire Inter Cars Group with a total value of PLN 3,547 million constitute collateral for the bank loan.

15. TRADE AND OTHER RECEIVABLES

	31/12/2024	31/12/2023
Trade receivables from related entities	2,060,348	1,848,010
Trade receivables from other entities	777,306	733,747
Receivables from suppliers on trade bonuses	756,725	585,730
Taxes, subsidies, customs, social security, health insurance and other benefits receivable	220,193	182,103
Other receivables, prepayments and accrued income	39,183	38,488
Loans granted	106,165	108,368
Short term trade and other receivables – gross	3,959,920	3,496,446
Change in impairment loss on trade receivables and other receivables	2024	2023
Status as at the beginning of the period	(11,510)	(13,930)
(Increase)/ Decrease, including:	(201)	2,420
- new impairment losses / release	(201)	2,420
Status as at the end of the period	(11,711)	(11,510)
Short-term trade and other receivables – net	3,948,209	3,484,936

The item Other receivables, prepayments and accrued income mainly included prepayments of PLN 38,981 thousand. (PLN 38,288 thousand in 2023).

The amount of the increase in the value of receivables write-down of PLN 201 thousand was recognised in the statement of comprehensive income under Other operating expenses.

The Company limits its credit risk by transferring a part of its responsibility for collecting trade and other receivables to affiliates who received distribution fee.

	31/12/2024	31/12/2023
Maturity structure of gross trade receivables		
Up to 12 months	2,837,654	2,581,758
	2,837,654	2,581,758

Notes to the annual separate financial statements

(in thousand PLN)

Trade and other receivables (cont.)

Currency structure of trade and other receivables (gross)	31/12/2024	31/12/2023
Local currency	1,246,952	1,183,198
Foreign currencies	2,712,968	2,313,248
	3,959,920	3,496,446
Receivables in EUR	2,690,863	2,289,672
Receivables in USD	12,387	14,813
Receivables in GBP	7,974	7,918
Receivables in other currencies	1,744	845
	2,712,968	2,313,248

Maturity structure of receivables	31/12/2024		31/12/2023	
	Gross	Impairment	Gross	Impairment
Unmatured	2,364,951	581	2,035,731	565
From 1 to 30 days	318,617	246	333,058	253
From 31 to 60 days	156,406	82	166,317	173
From 61 to 90 days	116,151	24	143,400	70
From 91 to 270 days	590,956	306	609,304	709
From 271 to 360 days	150,008	120	126,960	221
Over 1 year	262,831	10,352	81,676	9,519
Total	3,959,920	11,711	3,496,446	11,510

The Company does not write down receivables from subsidiaries as it does not perceive a risk of their insolvency. Even in the case of overdue payments, these receivables are treated as secure and their repayment remains unthreatened. Consequently, there is no need for a write-down.

Loans granted	31/12/2024	31/12/2023
Current loans	106,165	108,368
Non-current loans and borrowings	25,403	19,521
	131,568	127,889

Non-current receivables	31/12/2024	31/12/2023
Non-current loans and borrowings	25,403	19,521
Security deposits	2,243	2,189
Long-term receivables	4,073	4,103
Receivables from employees	321	304
	32,040	26,117

The concentration of credit risk related to trade receivables is limited given that the Company's customer base is large and widely dispersed, mainly in Poland.

Credit and currency risks are discussed in Note 36.

Non-current receivables include mostly security deposits under lease agreements paid by the Company, as well as non-current loans granted mainly to related entities.

The loans advanced to related parties bear interest at a rate equal to 1M WIBOR or 3M EURIBOR (in the case of EUR-denominated loans), plus a margin. The loans are not secured.

Notes to the annual separate financial statements

(in thousand PLN)

16. CASH

	31/12/2024	31/12/2023
Cash in hand	5,365	7,094
Cash at bank	11,450	17,404
On VAT split payment bank accounts	4,604	3,003
Cash in transit	19,410	23,739
Cash on accounts of the Company's Social Benefits Fund	1,003	692
Cash	41,832	51,932
	31/12/2024	31/12/2023
In local currency	30,643	40,743
In foreign currencies	11,189	11,189
	41,832	51,932

With the exception of cash on accounts of the Company's Social Benefits Fund and VAT Split payment, Inter Cars S.A. does not hold any restricted cash.

In accordance with Polish law, Inter Cars S.A. administers the Company's Social Benefits Funds on behalf of its employees. Contributions to the Company's Social Benefits Funds are deposited in a separate account.

The credit risk concentration with respect to cash is limited as the Company deposits cash in reputable financial institutions with highest, medium-high and medium rating levels. The level of cash concentration as at 31 December 2024 taking into account the credit rating of financial institutions is as follows:

Rating A+ to A- (medium-high) - 33%

Rating BBB+ to BBB (medium) - 8%

Cash in hand, cash in transit and other cash - 59%.

17. SHARE CAPITAL AND SHARE PREMIUM ACCOUNT

As at 31 December 2023 and as at 31 December 2024, the share capital of Inter Cars S.A. was composed of 14,168,100 Series A to F ordinary bearer shares with par value PLN 2 per share; there are no restrictions on any rights conferred by the shares. All shares have been paid. All shares have been admitted to public trading by virtue of the decision of the Polish Securities and Exchange Commission and introduced to trading on the Warsaw Stock Exchange. All shares are equal and have the same rights. The first listing of Inter Cars S.A. shares took place on the trading session on 26th May 2004.

The supplementary capital comprises the value of resources, contributed to the entity for an indefinite period of time, in excess of their value declared to be contributed and included in the share capital, and the value of profits retained in the company but which may be withdrawn from it.

Foreign exchange gains /losses on the translation of subsidiaries arise from the translation into Polish currency of equity at the historical exchange rate and at the balance sheet exchange rate, as well as from the translation of net income at the average exchange rate and the exchange rate at the balance sheet date

Notes to the annual separate financial statements

(in thousand PLN)

Share capital and share premium account (cont.)

	Number of shares	Date of admission to trading	Right to dividend (since)	Par value (in PLN)	Issue price (PLN)	Share premium (in PLN)
Series A	200,000	14/05/2004	1999	400,000	2.00	-
Series B	7,695,600	14/05/2004	1999	15,391,200	2.00	-
Series C	104,400	14/05/2004	1999	208,800	2.00	-
Series D	2,153,850	14/05/2004	2001	4,307,700	6.85	10,448,676
Series E	1,667,250	14/05/2004	2002	3,334,500	8.58	10,966,504
Series G	1,875,000	14/03/2008	2007	3,750,000	122.00	225,000,000
Series F1	10,001	06/08/2007	2008	20,002	33.59	315,932
Series F2	30,000	25/06/2008	2008	60,000	37.13	1,053,900
Series F1	147,332	06/08/2007	2009	294,664	33.59	4,654,218
Series F2	127,333	25/06/2008	2009	254,666	37.13	4,473,208
Series F3	157,334	21/12/2009	2009	314,668	18.64	2,618,038
	<u>14,168,100</u>			<u>28,336,200</u>		<u>259 530,476</u>

18. NET PROFIT PER SHARE

Basic earnings per share

Net profit per share calculated based on net profit for the period in the amount of PLN 402,736 thousand (2023: PLN 361,241 thousand) and the weighted average number of shares – 14,168 thousand (2023: PLN 14,168 thousand) presented below:

	2024	2023
Weighted average number of shares		
Shares issued as at 1 January	14,168,100	14,168,100
Weighted average number of shares during the year	14,168,100	14,168,100
Basic profit per share		
Net profit for period	402,736	361,241
Weighted average number of shares	14,168,100	14,168,100
Net earnings per 1 share (in PLN)	28.43	25.50

Diluted earnings per share

In 2024 and in the comparative period, i.e. 2023, there were no diluting factors. Therefore, the diluted profit per share equals the basic profit per share.

19. LIABILITIES DUE TO BORROWINGS AND OTHER DEBT INSTRUMENTS

This Note contains information on the Company's liabilities under loans, borrowings and other debt instruments valued at amortised cost. For information on the Company's exposure to currency, interest rate and liquidity risks, see Note 36.

The syndicated credit facility agreement:

On 22 November 2024, an annex to the term and revolving credit facility agreement of 14 November 2016 was entered into to extend the repayment period and increase the maximum total amount of the loans.

On 28 November 2024, the conditions were fulfilled and the annex to the term and revolving credit agreement was concluded. Following the conditions of the annex, the date of repayment of the term loan was extended to 30 November 2027 and the maximum total loan amount was increased by PLN 156,000,000 and is now PLN 1,150,814,000. At the same, the of repayment of the revolving credit was extended to 28 November 2025 and the maximum total amount was increased by PLN 244,000,000 and is now PLN 1,793,373,500.

The syndicated credit facility agreement is available for the InterCars Group daughter companies: Inter Cars S.A., Lauber Sp. z o.o., Inter Cars Česká republika s.r.o., Inter Cars Slovenská republika s.r.o., Inter Cars Lietuva UAB, Inter Cars d.o.o., Inter Cars Romania s.r.l., Inter Cars Marketing Services Sp. z o.o., ILS Sp. z o.o., Q-service Truck Sp. z o.o.

Notes to the annual separate financial statements

(in thousand PLN)

Liabilities due to borrowings and other debt instruments (cont.)

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

The signed annex to the syndicated agreement includes sustainability linked-loans provisions, including the achievement of the sustainability targets (KPIs) set out in the annex in terms of reducing the carbon footprint, the percentage increase in the rate of return of cores to remanufactured parts suppliers and the increase in the participation of women in the 'Accelerator' scholarship programme implemented by the Inter Cars Foundation. The performance of the targets in question will be able to affect the margins indicated in the loan agreement, in accordance with the detailed provisions of the annex in this respect.

	31/12/2024	31/12/2023
Non-current		
Secured bank loans	829,025	829,074
Lease liabilities	35,398	34,467
Sureties received	29	30
	864,452	863,571
Current		
Secured bank loans	1,238,804	1,040,363
Loans received	92,934	92,931
Lease liabilities	11,478	12,394
	1,343,216	1,145,688

Current loans and borrowings at nominal value	Contractual amount (limit)	Drawn	Maturity date
	Syndicated credit	1,793,374	1,238,803
Inter Cars (Cyprus) LIMITED	92,934	92,934	31/12/2025
	1,886,308	1,331,737	
Non-current loans and borrowings at nominal value	Contractual amount (limit)	Drawn	Maturity date
	Syndicated credit	1,150,814	829,025
	1,150,814	829,025	

As at 31 December 2024, total liabilities under loans and borrowings amounted to PLN 2,160,763 thousand of which PLN 1,523,379 thousand is denominated in PLN and 637,384 thousand is denominated in EUR.

Material terms of the syndicated credit facility

A consortium credit was granted by the following banks (along with the use as at 31 December 2024):

	Use in nominal value	Share in the amount drawn
CaixaBank S.A.	237,298	11.42%
Bank Pekao S.A.	616,431	29.67%
Bank Handlowy S.A.	265,854	12.80%
Santander	227,936	10.97%
BNP Paribas S.A.	195,616	9.42%
mBank S.A.	282,073	13.58%
ING Bank Śląski S.A.	252,409	12.15%
Nominal value of loans	2,077,617	100%
Credit facility valuation at amortised cost	(9,788)	
Balance sheet value of loans	2,067,829	

Notes to the annual separate financial statements

(in thousand PLN)

Material terms of the syndicated credit facility (cont.)

The credit facility is secured with:

- a mortgage on land owned by Inter Cars S.A. worth PLN 48,112 thousand according to a valuation of 27 February 2018.
- registered pledge over inventories of the Group as at 31 December 2024 in the amount of PLN 3,547 million
- registered pledge and financial pledge over shares in share capital of ILS; Sp. z o.o.
- registered pledge and financial pledge over shares in share capital ICMS Sp. z o.o.
- registered pledge over bank accounts,
- authorization to Company's accounts in Poland,
- transfer of receivables of the Company from Insurance contracts,
- declaration on unsolicited execution,

Information on collateral for the syndicated credit facility was published by the Board of Managers in current report number 32/2016.

The syndicated loan was used to repay debt and finance current business activities, as well as to finance a new investment to expand and modernise the warehouse facilities at the logistics centre in Zakroczym.

The credit facility agreement includes requirements with respect to a number of key ratios (calculated based on the Inter Cars Group's consolidated financial statements), and in the event the Group fails to meet these requirements, the consortium will have the right to terminate the agreement. The ratios are as follows:

- the EBITDA index should be positive,
- the ratio of the Group's operating profit to the interest paid on the financial debt of all Group members should be higher than 2.5,
- the net debt to EBITDA should be lower than 3.5,
- the Group's equity to its aggregate balance-sheet total should be higher than 30%.

All coefficients are calculated based on the consolidated financial statements following elimination of the impact of the IFRS 16 standard applied in 2019.

Inter Cars S.A. may approve and pay dividend only if the following conditions are met:

- the total amount of dividend paid for a given financial year does not exceed 40 or 60% of the net profit;
- the financial ratios are maintained at a satisfactory level and dividend payment would not result in failure to meet the requirements with respect to any of the key ratios.

The effective interest rate as at the reporting date was 5.8 %.

Loan from Inter Cars Cyprus Limited is bearing an interest rate of 2.25%.

20. LEASE LIABILITIES

Lease liabilities relate to the right to use office space and other property, plant and equipment. For more information, see note 8.

IFRS 16 provides for exceptions from the general lease model related to short-term lease contracts (i.e. shorter than 12 months) and lease of low-value assets (e.g. laptops).

The company decided to apply the above exceptions provided by the standard and recognised the fees on a straight-line basis under selling, general and administrative expenses in the statement of comprehensive income.

Lease	31/12/2024	31/12/2023
Payments under lease agreements	57,681	52,409
Discount	(10,805)	(5,548)
Present value of liabilities under leases	46,876	46,861
<i>Payments under lease agreements</i>		
	31/12/2024	31/12/2023
Up to 1 year	15,000	14,533
Between 1 and 5 years	42,681	37,876
	57,681	52,409
<i>Present value of liabilities under leases</i>		
	31/12/2024	31/12/2023
Up to 1 year	11,478	12,394
Between 1 and 5 years	35,398	34,467
	46,876	46,861

Notes to the annual separate financial statements

(in thousand PLN)

21. LIABILITIES AND RECEIVABLES DUE TO LEASE TRANSFORMED INTO SUB-LEASE.

Premises of which the Company is a lessor and which it leases out to its agents running branches are treated as a sub-lease. These lease liabilities equal the respective lease receivables.

The impact of IFRS 16 Sub-leases on particular items of the financial statements was as follows:

	31/12/2024	Inter Cars S.A. 31/12/2023
Sub-lease receivables (Tangible assets)	87,458	90,199
Sub-lease receivables (Current assets)	46,123	46,984
Liabilities due to lease transformed into sub-lease (Long-term liabilities)	87,458	90,199
Liabilities due to lease transformed into sub-lease (Short-term liabilities)	46,123	46,984
Sub-lease	31/12/2024	31/12/2023
Payments under lease agreements	139,329	144,381
Discount	(5,748)	(7,198)
Present value of liabilities under leases	133,581	137,183
<i>Payments under lease agreements</i>		
Up to 1 year	49,518	50,466
Between 1 and 5 years	88,834	93,881
Over 5 years	977	34
	139,329	144,381
<i>Present value of liabilities under leases</i>	31/12/2024	31/12/2023
Up to 1 year	46,123	46,984
Between 1 and 5 years	86,558	90,165
Over 5 years	900	34
	133,581	137,183

22. TRADE AND OTHER LIABILITIES

	31/12/2024	31/12/2023
Trade payables to related entities	961,602	825,822
Trade payables to other entities	987,282	994,333
Receivables from suppliers on trade bonuses	(294,191)	(298,278)
Taxes, duties, social security and other benefits payable	15,809	22,231
Other liabilities	148,730	138,950
	1,819,233	1,683,058
Structure of trade payables	31/12/2024	31/12/2023
Up to 12 months	1,948,884	1,820,156
	1,948,884	1,820,156

The item other liabilities in 2024 mainly includes provisions for loyalty programmes (PLN 17 million), product fees (PLN 13 million), or project refunds (PLN 51 million).

Other liabilities include provisions for services and materials and accrued expenses, with accrued expenses of PLN 83 million at the end of 2024 and PLN 100 million at the end of 2023.

Notes to the annual separate financial statements

(in thousand PLN)

	31/12/2024	31/12/2023
Currency structure of trade payables		
Local currency	1,318,675	604,443
Foreign currencies	630,209	1,215,713
	<u>1,948,884</u>	<u>1,820,156</u>
 <i>Equivalent in national currency</i>	 31/12/2024	 31/12/2023
Liabilities in EUR	249,322	930,169
Liabilities in USD	379,711	284,464
Liabilities in other currencies	1,177	1,080
	<u>630,209</u>	<u>1,215,713</u>

23. EMPLOYEE BENEFITS

	31/12/2024	31/12/2023
Salaries and wages	44,508	25,177
Company's Social Benefits Fund	1,126	487
	<u>45,634</u>	<u>25,664</u>

24. SALES REVENUES

1. Sale of goods

The Company's main objects are the sale of goods through brick-and-mortar stores (branches) and business through an on-line shop.

The revenues are recognized in a particular moment, i.e. when a customer gains control over goods (the moment the goods are released from the warehouse or made available for the customer to collect).

Due to the returns policy applied, the Company, following the IFRS 15, decreases the value of the revenues by an estimated cost of such returns.

2. Sale of services

The Company believes that customers gain benefits resulting from the services rendered upon their completion, as these services are short-term ones. Hence, the Company continues to recognize sales revenues upon the completion of a settlement month.

The Company mainly has deferred payment sales. Additionally, cash sales take place in the retail area. Payment terms not exceeding 30 days are mostly used in contracts with customers. Payment is usually due upon delivery of the good or upon completion of the service

	01/01/2024 - 31/12/2024	01/01/2023- 31/12/2023
Revenue from sales of goods	12,516,552	11,734,650
Revenue from sales of services	90,129	71,341
	<u>12,606,681</u>	<u>11,805,991</u>

Notes to the annual separate financial statements

(in thousand PLN)

Sales by product groups

	2024		2023	
	(in thousand PLN)	(%)	(in thousand PLN)	(%)
Domestic sales	7,719,986	61.24%	7,020,566	59.47%
Spare parts for passenger cars	4,475,669	35.50%	4,013,484	34.00%
Spare parts for commercial vehicles and buses	1,388,990	11.02%	1,309,089	11.09%
Tyres	1,257,608	9.98%	1,142,918	9.68%
Garage equipment and tuning	327,275	2.60%	299,114	2.53%
motorcycles: vehicles, spare parts and clothing	115,713	0.92%	104,963	0.89%
Accessories	26,989	0.21%	26,276	0.22%
other, spare parts and services	127,743	1.01%	124,722	1.06%
Export	4,886,695	38.76%	4,785,425	40.53%
Spare parts for passenger cars	3,091,939	24.53%	2,983,379	25.27%
Spare parts for commercial vehicles and buses	1,116,209	8.85%	1,131,291	9.58%
Tyres	207,146	1.64%	222,341	1.88%
Garage equipment and tuning	238,368	1.89%	213,062	1.80%
motorcycles: vehicles, spare parts and clothing	70,651	0.56%	75,246	0.64%
Accessories	20,347	0.16%	20,438	0.17%
other, spare parts and services	142,035	1.13%	139,668	1.19%
Total	12,606,681	100.00%	11,805,991	100.00%

In 2024, domestic sales saw the highest percentage growth in sales of parts for passenger cars (12% compared to the previous year), tyre sales (10%) and motorcycle segment sales (10%).

Export sales were characterised by the highest sales growth in the garage equipment and tuning segment (12% compared to the previous year).

Geographical structure of sales

	2024		2023	
	(in thousand PLN)	(%)	(in thousand PLN)	(%)
Domestic sales	7,719,986	61.24%	7,020,566	59.47%
Export	4,886,695	38.76%	4,785,425	40.53%
Total	12,606,681	100%	11,805,991	100%

Export includes primarily sales to the neighbouring countries, i.e. to Ukraine, the Czech Republic, Slovakia, Lithuania and Germany, and to other European countries, i.e.: Latvia, Hungary, Croatia, Romania, Bulgaria, Estonia, Moldova, Slovenia, Greece, Bosnia, Serbia and Great Britain.

25. COST OF SALES

	01/01/2024 - 31/12/2024	01/01/2023 - 31/12/2023
Value of goods and services sold	9,493,339	8,954,462
Foreign exchange losses	27,828	58,652
Cost of sales	9,521,167	9,013,114

Notes to the annual separate financial statements

(in thousand PLN)

26. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	01/01/2024 - 31/12/2024	01/01/2023- 31/12/2023
Amortization and depreciation*	42,509	42,071
Materials and energy consumption	49,847	35,523
External services	2,151,147	1,942,844
Taxes and charges	61,124	57,368
Salaries	186,365	154,332
Social security and other benefits	37,167	31,786
Other costs by kind	24,699	29,983
Total costs by kind	2,552,858	2,293,907
(-) costs of distribution services	(841,426)	(793,103)
(-) costs of license fees	(51,326)	(49,273)
Selling, general and administrative expenses	1,660,106	1,451,531

Costs of distribution services and licence fees is an item of external services presented under costs by kind.

*the item Amortization and depreciation includes an amount of amortisation of intangible assets of PLN 13,788 thousand.

27. COSTS OF EMPLOYEE BENEFITS

	01/01/2024 - 31/12/2024	01/01/2023- 31/12/2023
Salaries under employment contracts	184,486	152,778
Salaries under contracts for specific work and contracts of mandate	1,879	1,554
Social security	28,426	24,359
Other employee benefits	8,741	7,427
Costs of employee benefits recognised as costs of sales and administrative costs	223,532	186,118

28. OTHER OPERATING INCOME

	01/01/2024 - 31/12/2024	01/01/2023- 31/12/2023
Profit from disposal of non-financial fixed assets	504	1,024
Complaints	7,613	12,567
Compensation, penalties and fines received	1,294	1,656
Receipt of past due receivables for which impairment losses were recognised	3	8
Reversal of unused provisions	-	1,570
Other	206	265
	9,620	17,090

Notes to the annual separate financial statements

(in thousand PLN)

29. OTHER OPERATING EXPENSES

	01/01/2024 - 31/12/2024	01/01/2023- 31/12/2023
Recognised impairment losses on receivables and other	1,243	-
Past due receivables recognised as impairment losses	1,880	2,315
Inventory lacks	14,120	11,697
Damage to stock	26,203	26,922
Transfer pricing settlement*	50,170	36,458
Donations	3,763	3,703
Other	1,532	12,970
	<u>98,911</u>	<u>94,065</u>

*As part of its transfer pricing policy, the Company calculates adjustments to the profitability of the subsidiary concerned. Depending on whether the adjustment is positive or negative, the amount is recognised in the corresponding line in the statement of comprehensive income (Other operating income or Other operating expenses).

30. FINANCE INCOME AND EXPENSES, EXCHANGE DIFFERENCES AND DIVIDENDS RECEIVED

	01/01/2024 - 31/12/2024	01/01/2023- 31/12/2023
Financial revenues		
Interest income on loans granted	1,159	944
Interest income on intra-group loans granted	11,720	3,115
Interest due to lease transformed into sub-lease	4,350	4,641
Other interest	3,806	2,739
	<u>21,035</u>	<u>11,439</u>
	01/01/2024 - 31/12/2024	01/01/2023- 31/12/2023
Dividends received		
Dividends received	129,349	143,582
	<u>129,349</u>	<u>143,582</u>
	01/01/2024 - 31/12/2024	01/01/2023- 31/12/2023
Financial expenses		
Interest expense under bank loans	113,759	130,917
Interest expense under intra-group loans	1,597	593
Interest under lease IFRS 16	1,854	1,025
Interest due to lease transformed into sub-lease	4,350	4,641
Other interest	845	2,269
Fees and commissions	15,319	9,246
Impairment of shares in a company in Belarus	-	188
	<u>137,724</u>	<u>148,879</u>

Finance income and expenses, exchange differences and dividends received (cont.)

Notes to the annual separate financial statements

(in thousand PLN)

	Recognised as cost of sales	Disclosed as foreign exchange gains / (losses)	Total foreign exchange gains/(losses)
Foreign exchange gains/losses in the period from 1.01.2024 to 31.12.2024			
Arising in connection with payment of trade payables and receivables	(36,911)	-	(36,911)
Realised foreign exchange gains/(losses)	(36,911)	-	(36,911)
Arising in connection with valuation of trade payables and receivables as at the reporting date	9,083	-	9,083
Other	-	3,186	3,186
Unrealised foreign exchange gains/(losses)	9,083	3,186	12,269
Total foreign exchange gains/(losses)	(27,828)	3,186	(24,642)
Foreign exchange gains/losses in the period from 1/01/2023 to 31/12/2023			
Arising in connection with payment of trade payables and receivables	2,437	-	2,437
Realised foreign exchange gains/(losses)	2,437	-	2,437
Arising in connection with valuation of trade payables and receivables as at the reporting date	(61,089)	-	(61,089)
Other	-	5,856	5,856
Unrealised foreign exchange gains/(losses)	(61,089)	5,856	(55,233)
Total foreign exchange gains/(losses)	(58,652)	5,856	(52,796)

31. STRUCTURE OF CASH FOR THE STATEMENT OF CASH FLOWS

Corporate income tax paid	01/01/2024 - 31/12/2024	01/01/2023- 31/12/2023
Current corporate income tax disclosed in the statement of comprehensive income	(48,020)	(27,187)
Adjustment of comprehensive income	9,296	(41,882)
Change in income tax payable	-	(59,543)
Corporate income tax paid	(38,724)	(128,612)
Increase (decrease) in receivables	01/01/2024 - 31/12/2024	01/01/2023- 31/12/2023
Change in trade and other receivables	(459,593)	(632,560)
Change in non-current receivables	(5,923)	(2,792)
Change in Loans granted	-	76,105
Other	-	(6,091)
Increase (decrease) in receivables	(465,516)	(565,338)
Change in Loans granted	01/01/2024 - 31/12/2024	01/01/2023- 31/12/2023
Loans granted	(204,757)	(123,354)
Repayment of loans granted	201,728	47,249
Interest received	12,814	3,567
Interest accrued	(12,879)	(4,018)
Other	(586)	1,647
Change in Loans granted	(3,680)	(74,909)

Explanatory information is an integral part of annual separate financial statements

Notes to the annual separate financial statements

(in thousand PLN)

Structure of cash for the statement of cash flows (cont.)

Change in short-term liabilities	01/01/2024 - 31/12/2024	01/01/2023- 31/12/2023
Change in loans, borrowings, debt securities and finance lease liabilities	198,406	214,521
Change in trade and other liabilities	136,175	195,169
Change in employee benefits liabilities	19,969	11,173
Change in total liabilities	354,550	420,863
<i>Including:</i>		
Recognition of new leasing agreements IFRS 16	(12,864)	(798)
Cash inflows on credits and loans	(198,285)	(225,644)
Financial lease contracts liabilities	12,849	68,036
Other	(106)	178
Change in liabilities following adjustments, total	156,144	262,635

The following table analyses the debt for each of the presented periods.

	Loans	Borrowings	Lease liabilities	Total debt	Cash and cash equivalents	Net debt	
Balance as at 01/01/2023	(1,642,505)	(98,384)	(53,849)	(1,794,738)	75,173	(1,719,565)	
Cash flows	(225,644)	-	22,197	(203,447)	(23,241)	(226,688)	
New leasing agreements	-	-	(15,236)	(15,236)	-	(15,236)	
Interest paid	130,917	-	2,518	133,434	-	133,434	
Interest accrued	(130,917)	(1,721)	(2,518)	(135,155)	-	(135,155)	
Valuation	(1,289)	7,173	-	5,884	-	5,884	
Balance as at 31/12/2023	(1,869,438)	(92,932)	(46,888)	(2,009,258)	51,932	(1,957,326)	
	Loans	Borrowings	Lease liabilities	Sureties received	Total debt	Cash and cash equivalents	Net debt
Balance as at 01/01/2024	(1,869,438)	(92,932)	(46,888)	-	(2,009,258)	51,932	(1,957,326)
Cash flows	(198,646)	106	5,735	-	(192,805)	(10,100)	(202,905)
New leasing agreements	-	-	(5,722)	(29)	(5,751)	-	(5,751)
Interest paid	123,497	-	1,434	-	124,931	-	124,931
Interest accrued	(123,497)	(1,713)	(1,434)	-	(126,644)	-	(126,644)
Valuation	255	1,605	-	-	1,860	-	1,860
Balance as at 31/12/2024	(2,067,829)	(92,934)	(46,875)	(29)	(2,207,667)	41,832	(2,165,835)

Sub-lease liabilities are not included in the calculation of net debt.

Notes to the annual separate financial statements

(in thousand PLN)

Structure of cash for the statement of cash flows (cont.)

Purchase of financial assets in related and other entities

	01/01/2024 - 31/12/2024	01/01/2023- 31/12/2023
Increase in financial assets in related and other entities	15,957	2,070
Purchase of financial assets in related and other entities	15,957	2,070
Net interest	01/01/2024 - 31/12/2024	01/01/2023- 31/12/2023
Interest paid	(131,135)	(138,076)
Interest received	17,164	3,567
Net interest	(113,971)	(134,509)

32. INCOME TAX

Income tax recognised under current period profit or loss

	01/01/2024 - 31/12/2024	01/01/2023- 31/12/2023
Current income tax	58,113	36,004
Correction on previous years	(10,093)	(8,817)
Change in deferred income tax	8,456	45,565
Income tax disclosed in statement of comprehensive income	56,476	72,752

The reconciliation of the tax-deductible cost to the value representing the product of the accounting profit and the applicable tax rates is as follows:

Effective tax rate	01/01/2024 - 31/12/2024	01/01/2023- 31/12/2023
<i>Tax rate</i>	19%	19%
Profit before tax	459,211	433,993
Tax based on applicable tax rates 19%	(87,250)	(82,459)
Permanent differences	30,774	9,707
of which:		
Dividend received	24,576	27,281
Representation, advertising and catering	(1,621)	(1,966)
Amortization and depreciation	(2,945)	(2,608)
Debt servicing costs	1,306	(7,614)
Correction on previous years	10,093	(8,817)
Other non-tax-deductible expenses / revenues	(635)	3,431
Income tax disclosed in statement of comprehensive income	(56,476)	(72,752)

33. DIVIDEND

Within the reporting period and till the day of publishing of these financial statements the Company had not realized any payments on account of payout of dividend on operating profit for 2024.

Till the day of preparation of these financial statements the Board of Managers of the Company had not approved the proposal of distribution of profits for 2024. The dividend policy of the Company projects dividend payout in the amount not lower than 60% of consolidated net profit of Inter Cars S.A. Capital Group for a given accounting year.

On 23 May 2024, the Ordinary General Shareholders' Meeting of the Company adopted a resolution on the distribution of the profit for the financial year 2023, according to which the profit generated in 2023 shall be distributed in such a way that from the net profit generated in 2023 in the amount of PLN 361,241,760.18, the amount of PLN 10,059,351.00, i.e. PLN 0.71

Notes to the annual separate financial statements

(in thousand PLN)

per share, will be paid to shareholders as the dividend, while the remaining part of the profit in the amount of PLN 351,182,409.18 shall be allocated to the reserve capital.

In addition, the Annual General Shareholders' Meeting of the Company set the dividend date at 10 June 2024 and the dividend payment date at 19 June 2024. All 14,168,100 shares of the Company are covered by the dividend. The dividend was paid out on 19 June 2024.

Dividend per share

	01/01/2024 - 31/12/2024	01/01/2023 - 31/12/2023
Dividend resolved and paid out to the reporting date	10,059	10,059
Number of shares with right to dividend as per resolution of the General Shareholders Meeting	14,168,100	14,168,100
Dividend per share in PLN	0.71	0.71

34. UNRECOGNISED LIABILITIES UNDER EXECUTED AGREEMENTS

Guaranties and sureties

As at 31 December 2024, the total amount of sureties and guarantees was PLN 772,766 thousand and comprised the sureties for repayment of credits for subsidiaries and for the benefit of suppliers of subsidiaries.

	2024	2023
As at beginning of period	509,383	401,995
Issued	400,878	234,490
Expired	(137,495)	(127,102)
As at end of period	772,766	509,383

The Company also holds a customs guarantee issued by InterRisk with respect to payment of a bid bond and a performance bond securing proper performance of contractual obligations and removal of defects in the case of supplies of spare parts for the Polish Post and Regional Police Stations and Military Units.

35. TRANSACTIONS WITH RELATED ENTITIES

All transactions with related entities are executed at arm's length.

The Company executed transactions with entities related personally to members of the Supervisory Board and the Management Board, as well as members of the Key Personnel and their relatives. Key Personnel are persons with authority and responsibility for planning, directing and controlling the Company's activities directly or indirectly.

The table below sets forth the value of transactions and outstanding balances.

	01/01/2024 - 31/12/2024		31/12/2024	
	Sale of goods and services to related entities	Purchase of goods and services from related entities	Receivables from related entities	Payables to related entities
Subsidiary companies	3,733,714	2,054,198	2,080,736	810,983
Jointly-controlled entities	537	2,338	57	299
Other related entities of Inter Cars S.A.	93	1,149	1	9

Notes to the annual separate financial statements

(in thousand PLN)

Transactions with related entities (cont.)

	01/01/2023 - 31/12/2023		31/12/2023	
	Sale of goods and services to related entities	Purchase of goods and services from related entities	Receivables from related entities	Payables to related entities
Subsidiary companies	3,604,697	1,847,872	1,848,010	825,822
Jointly-controlled entities	277	2,265	7	334
Other related entities of Inter Cars S.A.	204	1,211	111	-

Purchase covers primarily purchase of spare parts, transport and logistics services and fees related to the use of Inter Car S.A.'s trademark.

The Company executed transactions with entities related personally to members of the Supervisory Board and the Management Board and their relatives.

There are no loans or liabilities to members of the Supervisory Board and Management Board, other members of Key Personnel and their relatives.

Jointly controlled entities include DANXILS sp. z o.o. and InterMeko Europe sp. z o.o., while other entities related to Inter Cars include FF-Sport sp. z o.o., Fastforward Maciej Oleksowicz, Factory of Speed Racing Team Wojciech Twaróg and companies in which members of the Management Board and Supervisory Board sit on the boards of: Przedsiębiorstwo Żegluga Augustowska sp. z o.o., Tenstep Polska sp. z o.o., Stowarzyszenie Dystrybutorów i Producentów Części Motoryzacyjnych, H2PL sp. z o.o.

60% of shares in FF-SPORT Sp. z o.o. are held by Mr Maciej Oleksowicz, President of the Management Board; in addition, Mr Maciej Oleksowicz runs a single-person company under the name FASTFORWARD Maciej Oleksowicz. Mr Andrzej Oliszewski - Chairman of the Supervisory Board of Inter Cars S.A. runs a single-person company under the name P.H.U. ANPO Andrzej Oliszewski. Mr Wojciech Twaróg – member of the Management Board runs a single-person business under the name Factory of Speed Racing Team Wojciech Twaróg.

Loans to subsidiaries and associated entities	2024	2023
Lauber Sp. z o.o.	8,750	8,750
IC Development & Finance Sp. z o.o.	11,439	11,439
NV Inter Cars Belgium	-	1,984
Q-SERVICE TRUCK Sp z o.o.	9,537	17,675
Inter Cars d. o.o. Beograd Rakovica	867	884
Inter Cars Norge AS	176	189
Inter Cars Fleet Services Sp. z o.o.	-	1,759
ILS Sp. z o.o.	60,735	70,783
Inter Cars Bulgaria Ltd.	-	311
Armatus Sp. z o.o.	14,403	3,061
Inter Cars Albania SHA	3,508	-
	109,415	116,835

All loans, except for IC Development & Finance Sp. z o.o., have a maturity of up to one year.

The loans granted to related entities bear interest at a rate equal to: 1M WIBOR (in the case of PLN-denominated loans), or EURIBOR 3M (in the case of EUR-denominated loans) plus a margin of 2%-5%.

Loans granted	2024	2023
As at beginning of period	116,835	45,072
Loans granted	190,827	114,624
Interest accrued	11,720	3,075
Repayments received	(198,654)	(42,428)
Interest received	(11,885)	(1,910)
Balance sheet valuation	573	(1,598)
As at end of period	109,416	116,835

Explanatory information is an integral part of annual separate financial statements

Notes to the annual separate financial statements

(in thousand PLN)

Transactions with related entities (cont.)

Interest accrued	2024	2023
Lauber Sp. z o.o.	692	753
NV Inter Cars Belgium	88	92
Q-SERVICE TRUCK Sp. z o.o.	588	755
Inter Cars d o.o. Beograd Rakovica	53	51
Inter Cars Norge AS	11	11
Inter Cars Fleet Services Sp z o.o.	46	226
ILS Sp. z o.o.	9,752	368
Inter Cars Bulgaria Ltd.	-	571
Armatus Sp. z o.o.	241	246
Inter Cars Albania SHA	154	-
WZ Dystrybucja Sp. z o.o.	95	-
	11,720	3,073

Loans received	2024	2023
As at beginning of period	92,931	98,384
Interest accrued	1,713	1,720
Repayment of funds	(106)	-
Balance sheet valuation	(1,604)	(7,173)
As at end of period	92,934	92,931

Interest accrued	2024	2023
Inter Cars (Cyprus) LIMITED	1,597	1,720
	1,597	1,720

Guarantees and sureties issued as well as other agreements under which payments are to be made or services are to be provided to the related entities:

	2024	2023
As at beginning of period	499,378	391,425
Issued and increases	400,878	233,724
Expired	(127,490)	(125,771)
As at end of period	772,766	499,378

The remuneration of the Key Personnel presented in this note includes the amounts paid during the reporting period.

The Company's key personnel include members of the Management Board and the Supervisory Board of the company, i.e. persons with authority and responsibility for planning, directing and controlling the Company's activities directly or indirectly.

	01/01/2024 - 31/12/2024	01/01/2023 - 31/12/2023
Remuneration of the Members of the Management Board	21,528	16,820
Remuneration of the Members of the Supervisory Board	932	981
Total	22,460	17,801

Moreover, Mr Krzysztof Oleksowicz, holding the position an Advisor of the Management Board, who is personally related to President Maciej Oleksowicz - received a remuneration of PLN 960 thousand in 2024, as in the previous year.

(in thousand PLN)

36. FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risks, which can be defined as credit risk, market risk (comprising mainly currency risk and interest rate risk) and liquidity risk.

Credit risk

There is no significant concentration of credit risk regarding exposures to individual customers and specific industry sectors. However, in terms of geographical regions, more than 40% of sales revenue is located in Poland.

Credit risk is associated mainly with other receivables, cash and cash equivalents, as well as trade receivables and loans granted to related entities. Cash and cash equivalents are deposited with reputable financial institutions.

Under the credit policy adopted by the Company, credit risk exposure and its concentration are monitored on an on-going basis. All customers who require crediting in excess of a specified amount are assessed in terms of their creditworthiness. The Company does not require any of its customers to provide any asset-based security for financial assets.

According to the Board's assessment, there is no threat of no recovery of receivables from related parties in the Group, therefore the Company does not identify credit risk related to these receivables.

As at the reporting date, there was no significant concentration of credit risks.

The carrying amount of each financial asset, including derivative financial instruments, represents the maximum credit risk exposure:

	31/12/2024	31/12/2023
Loans granted	131,569	127,889
Trade and other receivables (excluding loans granted)	3,848,681	3,383,164
Cash	41,832	51,932
	4,022,082	3,562,985

The concentration of credit risk by the above categories is as follows:

- for loans granted - loans are granted to both related parties and unrelated parties. Credit risk in this group is limited and dispersed among several entities, mainly subsidiaries, which reduces the concentration of risk.
- for trade receivables - information is presented in note 15, for sub-leased receivables - the concentration of credit risk is limited and spread over several hundred branches of the Company.
- for cash - information is presented in note 16

Market risk

Market risk is understood as the possibility of a negative impact on performance resulting from changes in market prices of commodities, exchange rates and interest rates.

Interest rate risk

The Company's exposure to interest rate risk is associated mainly with variable-rate liabilities and loans granted.

The Company has liabilities bearing interest at variable rates and liabilities bearing interest at fixed rates.

As at the end of the reporting period, the structure of interest-bearing financial instruments was as follows:

Variable rate financial instruments	31/12/2024	31/12/2023
Financial assets (loans granted)	131,569	127,889
Cash assets in bank accounts	17,057	21,100
Financial liabilities (liabilities under loans, borrowings and financial leases)	(2,341,248)	(2,146,442)
	(2,192,622)	(1,997,453)

Notes to the annual separate financial statements

(in thousand PLN)

Presented below is sensitivity analysis of the net profit or loss to possible interest rate changes, assuming that other factors remain unchanged. The following data shows the impact of basis points on the Company's annual net profit or loss (no direct impact on equity).

Impact on net profit / loss	basis points increase/decrease	as at 31/12/2024	As at 31 December 2023
	+100/-100	(17,760)/17,760	(16,179)/16,179
	+200/-200	(35,520)/35,520	(32,359)/32,359

Currency risk

A significant portion of the Company's trade payables is denominated in foreign currencies, especially in EUR. Sales are denominated mainly in PLN.

	EUR	USD	Other	EUR	USD	Other
	31 December 2024			31 December 2023		
Trade receivables	2,690,863	12,387	9,718	2,289,672	14,813	8,764
Loans granted	28,627	-	176	902	-	-
Cash	2,996	138	246	8,961	90	2,137
Bank credits	(554,239)	-	-	(331,114)	-	-
Loans received	(92,934)	-	-	(92,931)	-	-
Trade payables	(249,322)	(379,711)	(1,177)	(930,169)	(284,464)	(1,080)
Gross balance sheet exposure	1,825,991	(367,186)	8,963	945,321	(269,562)	9,821

Presented below is sensitivity analysis of the net profit or loss to possible EUR exchange rate changes, assuming that other factors remain unchanged (no direct impact on equity):

as at 31 December 2024	Foreign exchange rate increase/decrease	Impact on net profit / loss
EUR	+5% / -5%	73,953/(73,953)
	+10% / -10%	147,906/(147,906)
USD	+5% / -5%	(14,871)/14,871
	+10% / -10%	(29,742)/29,742
Other	+5% / -5%	363/(363)
	+10% / -10%	726/(726)

Notes to the annual separate financial statements

(in thousand PLN)

Financial risk management (cont.)		
as at 31 December 2023	Foreign exchange rate increase/decrease	Impact on net profit / loss
EUR	+5% / -5%	38,286/ (38,286)
	+10% / -10%	76,572 / (76,572)
USD	+5% / -5%	(10,917) / 10,917
	+10% / -10%	(21,834) / 21,834
Other	+5% / -5%	398 / (398)
	+10% / -10%	796 / (796)

Liquidity risk

In its operations the Company maintains a surplus of liquid assets and open credit lines.

The following table shows the value of current assets and liabilities and liquidity ratios as at 31 December 2024:

	2024	2023
Current assets	6,834,897	6,101,018
Short-term liabilities	3,254,205	2,901,394
Surplus of current assets over short-term liabilities	3,580,692	3,199,624
Current ratio	2.10	2.10
Quick ratio	1.25	1.25
Cash ratio	0.01	0.02

The current liquidity ratio is measured as a ratio of the current assets to the short-term liabilities at the end of a given period.

The liquidity ratio is calculated as a ratio of the current assets decreased by inventory to the short-term liabilities as at the end of the period.

The immediate liquidity ratio is calculated as a ratio of the cash to the short-term liabilities at the end of a period.

The table below presents future payments of the Company as at 31 December 2024 by the date on the basis of undiscounted payments.

Managing the cash flows of Inter Cars S.A. is critical for the functioning of the entire organization. The central point of this aspect of management is the cash flow planning model, covering the demand for capital, primarily including inventories as well as trade receivables and liabilities. By forecasting the demand for capital, the Company continually monitors the financial flows in individual countries and adjusts the financing sources accordingly, both at the Company and the local markets level. The Company finances its activities through a syndicate of 7 banks within the following proportion: 60% short-term loans and 40% long-term loans. The Company also finances its liabilities from its equity, which amounted to PLN 3,519 million as at 31 December 2024. The Company reinvests financial resources gained on operational activity. To maintain liquidity, the Company keeps a stable amount of cash ranging from PLN 4 million to PLN 9 million available at its points of sale (- in all branches total).

2024

	Matured	up to 3 months	3 to 12 months	from 1 to 5 years	more than: 5 years	Total
interest-bearing loans and borrowings	-	-	1,331,737	829,025	-	2,160,762
lease liabilities	-	2,870	8,608	35,398	-	46,876
liabilities due to lease transformed into sub-lease	-	11,531	34,592	86,557	900	133,580
trade and other payables	252,710	1,565,395	1,071	40	17	1,819,233
	252,710	1,579,796	1,376,008	951,020	917	4,160,451

Notes to the annual separate financial statements

(in thousand PLN)

Financial risk management (cont.)

2023

	Matured	up to 3 months	3 to 12 months	from 1 to 5 years	more than: 5 years	Total
interest-bearing loans and borrowings	-	-	1,133,294	829,075	-	1,962,369
finance lease liabilities	-	3,099	9,296	34,467	-	46,862
liabilities due to lease transformed into sub-lease	-	11,746	35,238	90,165	34	137,183
trade and other payables	81,257	1,600,227	1,516	50	8	1,683,058
	81,257	1,615,072	1,179,344	953,757	42	3,829,472

Capital management

The main objective of the Company's capital management is to maintain a good credit rating and sound capital ratios to support the Company's operations and increase the shareholder value.

Depending on changes in the economic environment, the Company may adjust its capital structure by dividend payouts, capital repayments to shareholders, or issues of new shares.

In the reporting period, certain capital management restrictions were introduced in connection with the obtained credit facility agreement (see Note 19).

The Company analyses its equity and capital using the gearing ratio calculated as net debt to total equity plus net debt. The Group's net debt includes interest-bearing bank loans, bonds, and finance leases, as well as trade and other payables, less cash and cash equivalents. Equity includes equity attributable to owners of the Company.

	31/12/2024	31/12/2023
Loan, borrowing and lease liabilities	2,207,667	2,009,259
Trade and other liabilities	1,819,233	1,683,058
(minus) cash	(41,832)	(51,932)
Net debt	<u>3,985,068</u>	<u>3,640,385</u>
Equity	<u>3,518,876</u>	<u>3,126,200</u>
Net debt to equity	<u>1.13</u>	<u>1.16</u>

Net debt to equity calculated as proportion of short-term liabilities and long-term liabilities to equity.

Fair value

In the opinion of the Management Board, the carrying amounts of financial assets and liabilities recognised in the financial statements approximate their fair value.

For loans measured at amortised cost, the fair value calculated using market interest rates at the date the financial statements were approved for publication does not differ materially from the carrying amount recognised in the financial statements.

Climate risk

Extreme weather events associated with climate change and rising global temperatures are critical to global security, as well as the operational activities of many companies and the global economy as a whole. Both physical changes to our environment and efforts to meet global decarbonisation targets will require economic transformation, led by fundamental business model change.

Climate-related risks are analysed both, in terms of the impact of climate change on the business and the impact of the business on climate change.

The analysis of climate risks and their impact on the Company's business operations is conducted in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In this process, a review of physical and transformational risks is performed.

Notes to the annual separate financial statements

(in thousand PLN)

The Group identifies two types of climate risk:

- physical risk - associated with the impact of extreme weather events - including floods, hurricanes and draughts - leading, for example, to damage to infrastructure or disruption to the supply chain,
- transformational risk - arising from the need to adapt operations to gradual climate change, in particular the use of low-carbon solutions. This risk may materialise, i.e., through the need to adapt to new regulations and technological changes, but also market risk arising from disruption to the current structure of demand and supply of electricity, natural resources, products and services provided.

The results of the analysis are regularly used to take measures aimed at risk reduction and adaptation to the effects of climate change.

In September 2023, a revised Sustainability Strategy was adopted by the Management Board. According to it, by 2030, the Inter Cars Group will continue to ensure the availability of 'Sustainable motorization for people and climate' by focusing on actions in the most important management, environmental and social issues identified through a materiality study process taking into account the current trends and challenges prevailing in our environment.

The climate sustainability vision focuses on the following pillars:

- ensuring safe and long-lasting use of cars, giving widespread and competitive access to high-quality car parts, professional knowledge and modern tools.
- introducing the sale of electric cars
- investing in and supporting suppliers, business partners and customers in the green transformation and reduction of the carbon footprint of their operations
- developing the market for remanufactured and second-hand car parts, while shaping consumer preference around circularity
- working with garages on responsible waste management, consistently moving towards a circular economy
- minimising the environmental impact of packaging

37. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

No such events.

38. GOING CONCERN

The Company's objective is to safeguard its ability to continue as a going concern so that it can generate return for the shareholders, and to maintain an optimum capital structure to reduce the cost of capital.

The financial statements were prepared under the assumption that the Company will continue as a going concern in the foreseeable future.

The most significant event that may affect the Company's financial results in future periods is the conduct of hostilities by the Russian Federation against Ukraine.

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 warehouse was located in Kiev region, in Gorenka village, in Bucha region. As a result of the above, in 2022 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.

At the beginning of 2022, 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 35 branches 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. In 2024, Inter Cars Ukraine realised sales of PLN 645 million, which is approximately 5% more than sales from the same period a year before. In the current reporting period, Inter Cars Ukraine generated a net profit of PLN 26 million.

Notes to the annual separate financial statements

(in thousand PLN)

As at the date of approval of the financial statements for publication, 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 157 million, the majority of which are inventories of PLN 118 million and cash of PLN 15 million. The use and transfer of cash funds in Ukraine is not restricted or subject to any restrictions. The Company's short-term liabilities amount to PLN 73 million, with trade payables to external suppliers amounting to PLN 2 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 Company's assets, is insignificant.

The assets of Inter Cars Ukraine are located primarily in the central and western regions of Ukraine in 35 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.

The Company'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.

As at 31 December 2024, the Ukrainian company continues to operate and the Parent company controls the Ukrainian company. The Company 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.

However, the development of the situation is dynamic and unpredictable. In connection with the above, the Company's Management Board analyses on an ongoing basis the situation related to the escalation of the armed conflict in Ukraine and does not rule out that possible new conditions and changes may significantly affect the Company's operations and financial results.

39. CONSOLIDATED FINANCIAL STATEMENTS

As the parent entity, Inter Cars S.A. prepares consolidated financial statements. The consolidation covers financial statements of the Company and its subsidiaries.

INFORMATION OF THE INTER CARS S.A. MANAGEMENT BOARD

REGARDING SELECTION OF AN AUDIT FIRM TO AUDIT THE ANNUAL FINANCIAL STATEMENTS

The Management Board of Inter Cars S.A., having its registered seat in Warsaw ("the Company"), acting in conformity with § 70.1.7 of the Minister of Finance Regulation of 29 March 2018 on the current and periodical information provided by securities issuers, and on consideration as equivalent the information required by law of a non-member state, as well as based on the statement of the Company's Supervisory Board to this effect, informs that the audit firm selected to audit the Company's standalone annual financial statements for the financial year ended on 31 December 2024 was selected in conformity with the applicable regulations, including those related to the selection of an audit firm and its selection procedure.

Furthermore, the Management Board of the Company informs that:

- the audit firm and the members of the audit team met the requirement of preparing an impartial and independent report on auditing the annual financial statements in conformity with the applicable law, professional standards and ethics;
- the applicable regulations related to the rotation of the audit firm, the key chartered auditor and the statutory grace periods are observed;
- The Company applies a policy governing the selection of an audit firm and a policy governing the provision by an audit firm, an entity related to an audit firm or by its member of additional services other than an audit, including services which an audit firm is conditionally permitted to provide.

These separate financial statements were approved by the Management Board of Inter Cars S.A for publication on 29 April 2025.

Notes to the annual separate financial statements

(in thousand PLN)

STATEMENTS OF THE MEMBERS OF THE MANAGEMENT BOARD AND APPROVAL OF THE FINANCIAL STATEMENTS

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:

- to the best of its knowledge the separate annual financial statements of Inter Cars S.A. ("Inter Cars") and the comparative data have been prepared in compliance with the International Financial Reporting Standards endorsed by the European Union, issued and effective as at the date of these financial statements, and give a true and fair view of the assets, financial standing and financial results of Inter Cars S.A.
- The comments to the annual report constituting an annual 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 S.A., including description of basic threats and risks.

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

Wojciech Aleksandrowicz

Member of the Management Board

Julita Pałyska

Person responsible for keeping the accounting books

Warsaw, 29 April 2025.