

**CAPITAL GROUP OF
INTER CARS**

Consolidated quarterly report containing a condensed interim consolidated report on the activities of the Inter Cars S.A. Capital Group together with interim consolidated financial statements of the Inter Cars, prepared for the period of 3 months ended on 31 March 2019.



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Selected consolidated financial data of the Inter Cars Group

	<i>for the period of 3 months ended on</i>		<i>for the period of 3 months ended on</i>	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	PLN '000	PLN '000	EUR '000	EUR '000
Information on growth and profits				
Sales margin	29.22%	30.80%		
EBITDA*	99,200	81,130	23,082	19,417
EBITDA as percentage of sales*	5.0%	4.90%		
EBITDA (for 12 consecutive months)*	410,641	358,745	95,547	85,857
Net debt / EBITDA*	2.8	2.9		
Basic earnings per share (PLN)	3.56	3.06	0.83	0.73
Diluted earnings per share (PLN)	3.56	3.06	0.83	0.73
Operating profit	75,858	63,564	17,650	15,213
Net profit	50,479	43,289	11,745	10,360
Cash flows				
Operating cash flows	73,652	52,161	17,137	12,484
Investing cash flows	12,752	(15,297)	2,967	(3,661)
Financing cash flows	(45,853)	(49,424)	(10,669)	(11,828)
Employment and branches				
Employees				
Parent company	620	507		
Subsidiaries	2,763	2,662		
Branches				
Parent company	249	245		
Subsidiaries	308	274		
Consolidated statement of the financial situation				
	As at		As at	
	31/03/2019	31/12/2018	31/03/2019	31/12/2018
	PLN '000	PLN '000	EUR '000	EUR '000
Cash and cash equivalents	155,274	114,725	36,099	26,680
Balance sheet total	4,508,048	3,943,261	1,048,066	917,037
Loans, borrowings and finance lease	1,611,388	1,303,914	374,628	303,236
Equity attributable to the shareholders of the parent entity	1,876,175	1,829,173	436,188	425,389

*) for comparability of data given values are before implementation of IFRS 16 standard, influence of the IFRS 16 on each of the items in the financial statements was described in note no. III. Statement of compliance with IFRS

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

- for balance sheet items – the National Bank of Poland exchange rate of 31 March 2019 – 1 EUR = PLN 4.3013, and the National Bank of Poland exchange rate of 31 March 2018 - 1 EUR = PLN 4.2085 and the National Bank of Poland exchange rate of 31 December 2018 – 1 EUR = PLN 4.3000.
- for the profit and loss account and cash flow items – the National Bank of Poland Exchange rate constituting the average National Bank of Poland exchange rate announced on the last day of each month of the first quarter of 2018 and 2017, respectively: 1 EUR = PLN 4.2978 and 1 EUR = PLN 4.1784.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE INTER CARS GROUP

<i>(in thousand PLN)</i>	<u>31/03/2019</u>	<u>31/12/2018</u>	<u>31/03/2018</u>
ASSETS			
Non-current assets			
Property, plant and equipment	470,391	461,400	477,872
Beneficial interest for assets	181,978	-	-
Investment property	11,049	17,779	21,530
Real estate available for sale	-	29,271	-
Intangible assets	195,878	199,415	180,222
Investments in associates	987	987	924
Investments available for sale	301	301	301
Receivables	22,509	22,346	19,671
Deferred tax assets	33,008	21,053	24,381
	<u>916,101</u>	<u>752,552</u>	<u>724,901</u>
Current assets			
Inventory	2,316,317	2,200,789	2,060,550
Trade and other receivables	979,642	870,763	822,183
Long-term rent receivables	137,053	-	-
Income tax receivables	3,661	4,432	4,565
Cash and cash equivalents	155,274	114,725	148,355
	<u>3,591,947</u>	<u>3,190,709</u>	<u>3,035,653</u>
TOTAL ASSETS	<u>4,508,048</u>	<u>3,943,261</u>	<u>3,760,554</u>
LIABILITIES			
Share capital	28,336	28,336	28,336
Share premium account	259,530	259,530	259,530
Supplementary capital	983,765	983,765	832,483
Other capital reserves	22,204	19,030	19,030
Foreign exchange gains /losses in subsidiaries	(29,795)	(26,318)	(28,352)
Retained earnings	612,135	564,830	546,375
Equity	<u>1,876,175</u>	<u>1,829,173</u>	<u>1,657,402</u>
Long-term liabilities			
Loan, borrowing and finance lease liabilities	563,479	531,819	657,623
Non-current liabilities on long-term rental	256,805	-	-
Other long-term liabilities	6,551	6,206	4,283
Deferred income tax provision	4,103	25,037	24,947
	<u>830,938</u>	<u>563,062</u>	<u>686,853</u>
Short-term liabilities			
Trade and other liabilities	899,850	702,161	844,530
Loan, borrowing and finance lease liabilities	726,448	772,095	529,894
Non-current liabilities on long-term rental	64,656	-	-
Employee benefits	31,710	31,251	19,419
Income tax liabilities	78,271	45,519	22,456
	<u>1,800,935</u>	<u>1,551,026</u>	<u>1,416,299</u>
TOTAL LIABILITIES	<u>4,508,048</u>	<u>3,943,261</u>	<u>3,760,554</u>

Interim consolidated statement of comprehensive income

(in thousand PLN)

	for the period of 3 months ended on	
	31/03/2019	31/03/2018
Continued activity		
Revenues from the sale of products, goods and materials	1,998,064	1,650,014
Cost of sales	(1,414,210)	(1,141,697)
Gross profit on sales	583,854	508,317
Other operating revenues	16,655	5,422
Selling cost, general and administrative expenses	(301,441)	(256,453)
Costs of distribution service	(215,087)	(186,928)
Other operating costs	(8,123)	(6,794)
Operating profit	75,858	63,564
Financial income	652	587
Exchange differences	196	(1,799)
Financial costs	(15,281)	(10,099)
Profit before tax	61,425	52,253
Income tax	(10,946)	(8,964)
Net profit	50,479	43,289
Attributable to:		
shareholders of the parent company	50,479	43,289
	50,479	43,289
OTHER COMPREHENSIVE INCOME		
Foreign exchange gains /losses	(3,477)	(1,915)
Total other comprehensive income, net	(3,477)	(1,915)
COMPREHENSIVE INCOME	47,002	41,374
Net profit attributable to:		
- the shareholders of the parent entity	50,479	43,289
	50,479	43,289
Comprehensive income attributable to:		
- the shareholders of the parent entity	47,002	41,374
- minority interests		
	47,002	41,374
Earnings per share (PLN)		
- basic	3.56	3.06
- diluted	3.56	3.06
Number of shares	14,168,100	14,168,100
Number of shares to be diluted	14,168,100	14,168,100

Interim consolidated statement of changes in equity

for the period from 01 January 2019 to 31 March 2019

<i>(in thousand PLN)</i>	Share capital	Share premium account	Supplementary capital	Foreign exchange gains /losses	Other reserve capitals	Retained earnings	Equity attributable to the shareholders of the parent entity
As at 01 January 2019	28,336	259,530	983,765	(26,318)	19,030	564,830	1,829,173
Profit in the reporting period	-	-	-	-	-	50,479	50,479
Foreign exchange gains /losses	-	-	-	(3,477)	-	-	(3,477)
Distribution of prior period profit - allocation to reserve capitals	-	-	-	-	3,174	(3,174)	-
As at 31 March 2019	28,336	259,530	983,765	(29,795)	22,204	612,135	1,876,175

for the period from 01 January 2018 to 31 December 2018

<i>(in thousand PLN)</i>	Share capital	Share premium account	Supplementary capital	Foreign exchange gains /losses in subsidiaries	Other reserve capitals	Retained earnings	Total equity
As at 01 January 2018	28,336	259,530	832,483	(26,437)	19,030	503,086	1,616,028
Profit in the reporting period	-	-	-	-	-	223,085	223,085
Other comprehensive income							
Foreign exchange gains /losses in subsidiaries	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	223,085	223,085
Transactions with shareholders							
Distribution of prior period profit – dividend	-	-	-	-	-	(10,059)	(10,059)
Distribution of retained profits - transfer to supplementary and reserve capital	-	-	151,282	-	-	(151,282)	-
Foreign exchange gains /losses	-	-	-	119	-	-	119
As at 31 December 2018	28,336	259,530	983,765	(26,318)	19,030	564,830	1,829,173

for the period from 01 January 2018 to 31 March 2018

<i>(in thousand PLN)</i>	Share capital	Share premium account	Supplementary capital	Foreign exchange gains /losses	Other reserve capitals	Retained earnings from previous and current years	Equity attributable to the shareholders of the parent entity
As at 01 January 2018	28,336	259,530	832,483	(26,437)	19,030	503,086	1,616,028
Profit in the reporting period	-	-	-	-	-	43,289	43,289
Other comprehensive income							
Foreign exchange gains /losses	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	(1,915)	-	-	(1,915)
As at 31 March 2018	28,336	259,530	832,483	(28,352)	19,030	546,375	1,657,402

Interim consolidated statement of cash flows
(in thousand PLN)

	01/01/2019 – 31/03/2019	01/01/2018 – 31/03/2018
Cash flows from operating activities		
Profit before tax	61,425	52,253
Adjustments:		
Depreciation and amortization	38,711	17,566
Foreign exchange gains /losses	(1,280)	3,140
(Profit / loss on investing activities	-	720
Net interest	14,768	10,053
Other adjustments, net	1,954	(412)
Operating profit before changes in the working capital	115,578	83,320
Increase (decrease) in inventories	(115,528)	(289,374)
Change in receivables	(109,369)	(83,192)
Change in short-term liabilities	194,795	352,331
Cash generated by operating activities	85,476	63,085
Corporate income tax paid	(11,824)	(10,924)
Net cash from operating activities	73,652	52,161
Cash flow from investing activities		
Proceeds from the sale of intangible assets, investment property, property, plant and equipment	35,959	641
Acquisition of intangible assets, investment property, and property, plant and equipment	(23,670)	(16,223)
Acquisition of shares in other entities	-	-
Purchase of interest in associated companies	-	-
Repayment of loans granted	355	642
Loans granted	-	(400)
Interest received	108	43
Net cash from investing activities	12,752	(15,297)
Cash flow from financing activities		
Cash inflows on credits	-	-
Repayment of credits	(11,248)	(38,254)
Financial lease contracts liabilities	(20,873)	(2,212)
Payment of the reverse factoring	-	-
Interest paid	(13,732)	(8,958)
Net cash from financing activities	(45,853)	(49,424)
Net change in cash and cash equivalents	40,550	(12,560)
Cash and cash equivalents at the beginning of the period	114,725	160,915
Cash and cash equivalents at the end of the period	155,275	148,355

Explanatory notes to the interim condensed financial statements for the period of 3 months ended on 31 March 2019

I. Information about the Inter Cars Capital Group

Scope of activities

The principal activities of Grupa Kapitałowa Inter Cars Spółka Akcyjna (hereinafter referred to as “the Group,” “the Inter Cars Capital Group,” the Inter Cars Group”) are import and distribution of spare parts for passenger cars and commercial vehicles.

Registered seat – the parent entity

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

Central Warehouse:

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

Contact and administrative details

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

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

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

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

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

Statutory auditor

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.
Ul. Polna 11; 00-663 Warsaw

II. Composition of the Capital Group

The parent company, Inter Cars S.A. ("the Company") is registered in Poland. The interim consolidated financial statements for the period ended on 31 March 2019 contain information about the company, its subsidiaries referred to as the Inter Cars Capital Group ("the Group"), and about the Group's share in related entities.

The consolidated financial statements of the Inter Cars Capital Group for the period ended on 31 December 2018 are available at www.intercars.com.pl.

As at 31 March 2019, the following entities comprised the Inter Cars Capital Group: Inter Cars S.A. as the Parent Entity, and 31 other entities, including:

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

The Group also holds shares in one related entity.

The first quarter of 2019 saw no changes in the organizational structure of the issuer's Capital Group, including changes resulting from amalgamation or gaining or losing control over subsidiaries and long-term investments or as a result of division, restructuring or discontinuance.

Name of entity	Registered seat	Scope of activities	Consolidation method	% of the Group's share in the share capital	
				31/03/2019	31/03/2018
Parent company					
Inter Cars S.A.	Warsaw, Poland	Import and distribution of spare parts for passenger cars and commercial vehicles	full	Not applicable	Not applicable
Direct subsidiaries					
Name of entity	Registered seat	Scope of activities	Consolidation method	% of the Group's share in the share capital	
				31/03/2019	31/03/2018
Inter Cars Ukraine	Khmelnytsky, Ukraine	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Q-service Sp. z o.o.	Cząstków Mazowiecki, Poland	Advisory services, organization of trainings and seminars related to automotive services and the automotive market	full	100%	100%
Lauber Sp. z o.o.	Słupsk, Poland	Remanufacturing of car parts	full	100%	100%
Inter Cars Česká republika s.r.o.	Prague, Czech Republic	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Feber Sp. z o.o.	Warsaw, Poland	Manufacture of motor vehicles, trailers and semi-trailers	full	100%	100%
IC Development & Finance Sp. z o.o	Warsaw, Poland	Real estate development and lease	full	100%	100%
Armatus sp. z o.o.	Warsaw, Poland	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Slovenská republika s.r.o.	Bratislava, Slovakia	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Lietuva UAB	Vilnius, Lithuania	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
JC Auto s.r.o.	Karvina-Darkom, Czech	The Company does not carry out operating activities	full	100%	100%

Name of entity	Registered seat	Scope of activities	Consolidation method	% of the Group's share in the share capital	
				31/03/2019	31/03/2018
JC Auto S.A.	Braine-le-Château, Belgium	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Hungária Kft	Budapest, Hungary	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Italia s.r.l	Milan, Italy	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars d.o.o.	Zaprešić (Grad Zaprešić), Croatia	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Romania s.r.l.	Cluj-Napoca, Romania	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Cyprus Limited	Nicosia, Cyprus	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Latvija SIA	Mārupes nov., Mārupe, Latvia	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Cleverlog-Autoteile GmbH	Berlin, Germany	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Bulgaria Ltd.	Sofia, Bulgaria	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Marketing Services Sp. z o.o.	Warsaw, Poland	Advertising, market and public opinion research	full	100%	100%
ILS Sp. z o.o.	Zakroczym, Poland	Logistics services	full	100%	100%
Inter Cars Malta Holding Limited	Birkirkara, Malta	Assets management	full	100%	100%
Q-service Truck Sp. z o.o.	Warsaw, Poland	Sale of delivery vans and trucks	full	100%	100%
Inter Cars INT d.o.o.	Ljubljana, Slovenia	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Eesti OÜ	Tallinn, Estonia	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars Piese Auto s.r.l.	Kishinev, Moldova	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars GREECE.	Athens, Greece	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars d.o.o.	Sarajevo, Bosnia and Herzegovina	Distribution of spare parts for passenger cars and commercial vehicles	full	100%	100%
Inter Cars United Kingdom - automotive technology Ltd *	London, Great Britain	Distribution of spare parts for passenger cars and commercial vehicles	Not applicable	100%	100%

Name of entity	Registered seat	Scope of activities	Consolidation method	% of the Group's share in the share capital	
				31/03/2019	31/03/2018
Indirect subsidiaries					
Inter Cars Malta Limited	Birkirkara, Malta	Sale of spare parts and advisory services related to automotive services and the automotive market	full	100%	100%
Aurelia Auto d o o	Vinkovci, Croatia	Distribution of spare parts and real estate rental	full	100%	100%
Associated entities					
InterMeko Europa Sp. z o.o.	Warsaw, Poland	Control and assessment of spare parts, components and accessories	equity method	50%	50%

* The Company does not carry out operational activity

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

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

Stock exchange listings

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

III. Declaration of compliance with IFRS

The condensed interim consolidated financial statements of the Inter Cars Capital Group were prepared for the period of 3 months ended on 31 March 2019.

The condensed interim financial statements covering first quarter of 2019 comply with the requirements of the International Accounting Standard IAS 34 *"Interim Financial Reporting"* related to interim financial statements.

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

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

Interim condensed consolidated financial statement of Inter Cars S.A. Capital Group prepared for the period of 3 months ended on 31 March 2019 with explanatory notes to interim condensed financial statements and quarterly financial information of Inter Cars S.A. 1Q 2019 was approved by the Board of Managers for publication on 21 May 2019.

IV. Basis for preparing the condensed interim consolidated financial statements

With the exception of the changes described in "Changes to the accounting principles," these condensed interim financial statements were prepared by the Inter Cars Capital Group in accordance with the same accounting standards as those applied by the Group to prepare the consolidated financial statements for the period ended on 31 December 2018.

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

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

V. Changes to the accounting principles

Starting from 1 January 2019 the new standard IFRS 16 – Leases is applicable. It was published in January 2016 and approved by the European Union on 31 October 2017.

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

The group reinvoices to the branches the finance lease costs resulting from leasing their premises thus transferring to them the right to use the leased space. Therefore, the Group shows long-term lease as an additional item in assets.

The impact of application of IFRS 16 on particular items of the Group's financial statements as at 31 March 2019 is as follows:

	Inter Cars Group	Inter Cars S.A.
Beneficial interest for assets	181 978	23 444
Long-term rent receivables	137 053	61 291
Long-term liabilities	256,805	62,489
Short-term liabilities	64,655	23,298
Result	(2,429)	(952)

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

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

From 1 January to 31 March 2019, as a result of application of IFRS 16, the total cost of amortization and depreciation of assets resulting from the right of use presented in the first quarter of 2019 amounted to PLN 17,798 thousand for the Inter Cars Group and PLN 6,331 thousand for Inter Cars S. A.

The interest costs resulting from recognition of lease liabilities have increased, which in the first quarter of 2019 amounted to PLN 4,044 thousand for the Inter Cars Group and PLN 833 thousand for Inter Cars S. A.

The impact of application of IFRS 16 on the particular items of financial statements is shown in the following table:

	Data following application of IFRS 16	Impact of IFRS 16	Data prior to application of IFRS 16
Amortization and Depreciation	38,711	(17,798)	20,913
Financial costs	(15,281)	4,044	(11,237)
Net profit	50,479	2,429	52,908
Non-current assets	916 101	(181 978)	734 123
Long-term rent receivables	137 053	(137 053)	-
Long-term liabilities	830,938	(256,805)	574,133
Short-term liabilities	1,800,935	(64,655)	1,736,280
Net debt	1,319,061	(184,408)	1,134,654
EBITDA*	114,569	(15,369)	99,200
EBITDA as percentage of sales*	5.7%		5.0%
EBITDA (for 12 consecutive months)*	426,010	(15,369)	410,641
Net debt / EBITDA*	3.1		2.8

VI. Foreign Exchange rates applied to calculate the figures for 1 quarter of 2018

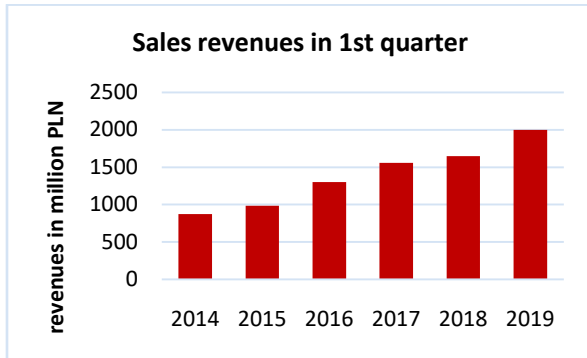
All financial figures presented in the report in EUR were translated according to the following exchange rates:

	2019	2018
exchange rate as at 31 March	4.3013	4.2085
average exchange rate in the period from 1 January to 31 March ...	4.2978	4.1784

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

- the figures resulting from the profit and loss account – the average exchange rate constituting the arithmetic mean of the exchange rates announced by President of the National Bank of Poland on the last day of each month of a given period;
- the figures resulting from the balance sheet – the exchange rate as at 31 March constituting the average EUR exchange rate announced on 31 March the President of the National Bank of Poland;
- for translating the value of the share capital – the average EUR exchange rates applicable on the day on which an increase in the share capital was registered.

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



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

Summary of financial results of the Inter Cars Group

- In 1Q 2019, the Group recorded an **21,1% increase of consolidated sales revenues** compared to the same period of 2018. Our competitive advantage and the still unconsolidated distribution segment are an opportunity for us to continue our development, both at home and abroad.
- **Export sales** understood as sales by the overseas distribution companies, and direct sales by Inter Cars S.A. to foreign clients increased by nearly **23.6%** compared to the analogous period a year ago.
- The revenues of Inter Cars at home accounted for app. **53.2% of the total revenues** of the Capital Group (taking into account consolidation exclusions). The foreign companies' share in the distribution activities increased from 40.7% in the 1st quarter of 2018 to 41.5% in the 1st quarter of 2019. The Polish market remains the basic sales market for the Capital Group.

The consolidated sales margin **went down to 29.2% from 30.8%**, a decrease by **1.6 p.p.**, **up by PLN 75,537** compared to the same period a year before.

The margin level in 1Q 2019 was also influenced negatively by the positive exchange differences amounting to PLN 5.6 million, and in the same period of 2018 - PLN 8.7m of negative exchange differences, which increased the margin for that period of time.

Comparing the level of gross percent margin, if we eliminate the influence of these exchange gains/losses on the margin, it would amount to 29.5% in the first quarter

2019, a decrease by 0.8% in comparison to the same period a year ago (30,3%).

- **The costs of sales and administration** increased by 17,5% compared to the same period of 2016, with sales revenues 21.1% higher, and the ratio of sales costs to revenues decreased slightly from 15.5% to 15.1% compared to 1Q of previous year.
- **Consolidated net profit** amounted to PLN 50,479 million.
- The consolidated EBITDA for 12 months cumulatively for the period ended on 31 March 2019 was PLN 426,010 thousand (measured as a profit on operating activity plus depreciation). After elimination of implementation of IFRS 16, EBITDA for the period of 12 month would amount to PLN 410,641 thousand and would be higher by PLN 51,896 thousand in comparison to the year 2018.
- Net debt / EBITDA ratio amounted to 3.1 and after elimination of bearing of IFRS 16 standard it would be 2.8 vs 2.9 as at 31 March 2018.
- In Q1 2019 the effective tax rate was equal to the anticipated tax rate for 2019.

Revenues increased in all geographical markets. The Group has been expanding its business in Central and Eastern Europe. This market displays a large potential of growth and a net profitability higher than the domestic market. The highest sales increase after 1 quarter of 2019 – compared to the same period of the previous year – (after translation to PLN and consolidation exclusions) was recorded by companies in the following countries: Ukraine (50%), Bulgaria (42%) and Estonia (41%). Whilst daughter companies with the biggest influence on the sales revenues of the Group, went up accordingly: Romania (14%), Lithuania (8%), Hungary (22%) and Croatia (7%).

The underlying financial data of the Inter Cars S.A. Group for 1 quarter of 2019 were as follows:

	for the period of 3 months ended on		for the period of 3 months ended on	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	<i>PLN</i>	<i>PLN</i>	<i>EUR</i>	<i>EUR</i>
(‘000)				
Profit and loss account (for the period)				
Sales revenues	1,998,064	1,650,014	464,904	394,891
Gross profit (loss) on sales	583,854	508,317	135,850	121,654
Net financial revenues / costs	(14,433)	(11,311)	(3,358)	(2,707)
Operating profit (loss)	75,858	63,564	17,650	15,213
Net profit (loss)	50,479	43,289	11,745	10,360
Other financial data				
Operating cash flows	73,652	52,161	17,137	12,484
Investing cash flows	12,752	(15,297)	2,967	(3,661)
Financing cash flows	(48,853)	(49,424)	(10,669)	(11,828)
Basic profit per share	3.56	3.06	0.83	0.73
Sales margin	29.22%	30.80%		
EBITDA margin	5.70%	4.90%		
Balance sheet (as at)	31/03/2019	31/12/2018	31/03/2018	31/12/2018
Cash and cash equivalents	155,274	114,725	36,099	26,680
Balance sheet total	4,508,048	3,943,261	1,048,066	917,037
Loans, borrowings and finance lease	1,611,388	1,303,914	374,628	303,236
Equity	1,876,175	1,829,173	436,188	425,389

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

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

	for the period of 3 months ended on		for the period of 3 months ended on	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
('000)	PLN	PLN	EUR	EUR
Profit and loss account (for the period)				
Sales revenues	1,454,307	1,226,323	338,384	293,491
Gross profit (loss) on sales	352,695	302,346	82,064	72,359
Costs of license	(2,095)	(7,659)	(487)	(1,833)
Net financial revenues / costs	(10,523)	32,396	(2,448)	7,753
Operating profit (loss)	27,052	9,733	6,294	2,330
Net profit (loss)	13,622	42,353	3,170	10,136
Other financial data				
Operating cash flows	5,312	7405	1,236	1772
Investing cash flows	25,762	34,700	5,994	8,305
Financing cash flows	(26,869)	(47,068)	(6,252)	(11,265)
Basic profit per share	0.96	2.99	0.22	0.72
Sales margin	24.3%	24.70%		
EBITDA margin	2.88%	1.30%		
Balance sheet (as at)				
	31/03/2019	31/12/2018	31/03/2019	31/12/2018
	PLN	PLN	EUR	EUR
Cash and cash equivalents	28,487	24,283	6,623	5,647
Balance sheet total	3,704,391	3,443,148	861,226	800,732
Loans, borrowings and finance lease	1,315,864	1,324,902	305,922	308,117
Equity	1,436,592	1,422,970	333,990	330,923

The sales revenues in Q1 2019 were **18.6% higher** than in the same period of previous year.

The gross sales profit in Q1 2019 amounted to PLN 352,695 thousand and was higher by 16.7% in comparison to the same period of 2018. **The sales margin** for 1 quarter of 2019 was 24.3% (compared to 24.7% in 1 quarter of 2018).

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

Financial revenues and costs include primarily costs and revenues due to interest on credits. In Q1 2019, the Company incurred PLN 10,521 thousand of these costs.

Liabilities resulting from credits, loans, debt securities and finance lease as at 31 March 2019 amounted to PLN 1,401,651 thousand.

2. Material evaluations and estimates

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

Information on particularly significant areas that are subject to evaluations and estimates and that affect the interim financial statements did not change from the information presented in the annual financial statements as at 31 December 2018.

3. Seasonality

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

4. Information on business segments

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

The above mentioned entities were consolidated with the full method as at 31 March 2019. Financial data of InterMeko Europa Sp. z o.o. were consolidated using equity method .

The core business of the Inter Cars S.A. Capital Group is the sale of spare parts. In addition, the companies Feber, Lauber, IC Development and ILS Sp. z o.o. are active in other business segments, such as the manufacture of semi-trailers, recovery of spare parts, real estate development and logistics.

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

Information on business segments

for the period of 3 months ended on 31 March 2019

	Sale of spare parts	Other segments	Eliminations	Total
External sales	1,965,168	32,896	-	1,998,064
Inter-segment sales	1,920	116,326	(118,246)	-
Profit before tax	58,696	4,775	(2,046)	61,425

for the period of 3 months ended on 31 March 2018

	Sale of spare parts	Other segments	Eliminations	Total
External sales	1,624,811	25,203	-	1,650,014
Inter-segment sales	2,033	112,468	(114,501)	-
Profit before tax	87,826	12481	(48,054)	52,253

Assets by operating segments

	Status as at 31/03/2019	Status as at 31/12/2018
Sale of spare parts segment	6,253,895	5,847,058
Other segments	496,432	496,064
Eliminations	(2,242,279)	(2,399,861)
	4,508,048	3,943,261

5. Dividend

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

On 23 April 2019 the Board of Directors adopted a resolution on recommending distribution of the dividend of profit worked out for the year 2018 in the amount of PLN 10,059 thousand, i.e. PLN 0.71 per share.

6. Liabilities due to borrowings and other debt instruments

The new syndicated credit facility agreement

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

Bank credits concluded directly by subsidiary companies

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

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

Loans and borrowings as at 31/03/2019

Current loans and borrowings at nominal value	Contractual amount (limit)	Used	Maturity date
Syndicated credit	838,000	513,450	14-11-2019
<i>Inter Cars S.A.</i>		478,613	
<i>Inter Cars Slovenska Republika s.r.o.</i>		20,006	
<i>Lauber Sp. z.o.o.</i>		14,831	
Raiffeisen a.s. (Inter Cars Česká republika s.r.o)	25,573	24,990	20-02-2020
ING Bank N.V. (Inter Cars Romania s.r.l.)	63,203	49,971	27-12-2019
	926,776	588,411	
Non-current loans and borrowings at nominal value	Contractual amount (limit)	Used	Maturity date
Syndicated credit	537,000	537,000	14-11-2021
Nova Kreditna Banka Maribor d.d. (Inter Cars INT D o.o.)	8,603	2,151	
	545,603	539,151	

Issuance of bonds

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

In the first quarter of 2019 the value of the bonds issued did not change. Interest on the A-series bonds is paid twice a year, in April and in October.

Below chart presents Bonds issued and planned buyback dates:

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

7. Contingent liabilities and sureties

In the reporting period, Inter Cars S.A. and its subsidiaries did not grant any sureties for credits, loans or other guarantees with substantial value.

Sureties and guarantees granted by the Group as at 31 March 2019 amounted in total to: PLN 27,524 thousand.

8. The Management Board's standpoint on the feasibility of meeting the previously published forecasts of financial results for 2019

The Board of Directors of Inter Cars S.A. has not published any forecast of financial results for the year 2019.

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

Shareholders holding 5% or more of the total vote at the General Shareholders Meeting of Inter Cars S.A., as at the day of publication of these financial statements:

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

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

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

From the date of publication of the previous report, i.e. 18 April 2019, there has been no change in shareholders holding at least 5% of total shares of the Company.

One share gives one vote at the General Shareholders Meeting of the Company. Voting restrictions are laid out in §18a of the Articles of Association, according to which no shareholder holding over 33% of votes may cast more than 33% of the total number of votes they are entitled to as at the

date of the General Meeting. This restriction does not apply to determining the purchasers of substantial blocks of shares.

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

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

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

The Company's supervisory and managing personnel hold directly a total 5,005,591 of shares, constituting 35,33% of the total vote at the General Shareholders Meeting of Inter Cars.

The managing and supervisory personnel hold no shares in the subsidiaries of Inter Cars.

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

Shareholder	Number of shares	Total nominal value	Percentage of share in the share capital held (%)	Percentage of total vote held (%)
Management Board				
Krzysztof Oleksowicz*	3,726,721	7,453,442	26.30%	26.30%
Tomáš Kaštil	1,500	3,000	0.01%	0.01%
	3,728,221	7,456,442		
Supervisory Board				
Andrzej Oliszewski	1,277,370	2,554,740	9.02%	9.02%
	1,277,370	2,554,740		
Total	5,005,591	10,011,182	35.33%	35.33%

* Directly by OK AutomotiveInvestments B.V.

Changes in ownership of the Company shares held by the Company's management and supervisory personnel since the publication of the most recent quarterly report, i.e. 18 April 2019:

Shareholder	Number of shares as at 18/04/2019		Increases	Decreases	Number of shares as at 20/05/2019	
Krzysztof Oleksowicz	3,726,721	-	-	-	3,726,721	
Andrzej Oliszewski	1,277,370	-	-	-	1,277,370	
Tomáš Kaštil	1,500	-	-	-	1,500	
Total	5,005,591	-	-	-	5,005,591	

11. Information on important court, arbitration and administrative proceedings

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

are there any material proceedings pending before a court or a public administration authority relating to liabilities or receivables of the Company or its subsidiaries.

12. Transactions with related entities

<i>(in thousand PLN)</i>	1.01.2019- 31.03.2019	1.01.2018- 31.03.2018
<i>Remuneration of the members of the Supervisory Board and the Management Board</i>		
Remuneration of the members of the Supervisory Board	128	81
Remuneration of the members of the Management Board	814	956
	942	1,037
	1.01.2019- 31.03.2019	1.01.2018- 31.03.2018
<i>Transactions with related entities</i>		
Income on sales to related entities	626	643
Purchase of goods and services from related entities	4,326	3,955
	31/03/2019	31/12/2018
<i>Settlements with related entities</i>		
Receivables from related entities	1,470	1,103
Liabilities to related entities	460	410

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

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

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

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

No such events.

15. Information on material transactions with related entities concluded on terms other than at arm's length, including information on their amounts and nature.

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

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

Factors which in the Management Board's opinion will affect the Company's financial results in Q2 2019 include:

- ✓ *trends in the foreign exchange rates, mainly EUR, USD and YEN against PLN, UAH, HUF, CZK, HRK, RON, BGN, MDL and BAM;*

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

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

<i>(in thousand PLN)</i>	<u>31/03/2019</u>	<u>31/12/2018</u>	<u>31/03/2018</u>
ASSETS			
Non-current assets			
Property, plant and equipment	135,064	123,725	148,579
Beneficial interest for assets	23,444	-	-
Intangible assets	182,872	185,533	165,926
Investment property	-	-	1,991
Real estate available for sale	-	29,271	-
Investments in subordinated entities	418,193	418,193	418,193
Investments available for sale	258	258	258
Receivables	17,163	22,737	19,994
	<u>776,994</u>	<u>780,957</u>	<u>754,941</u>
Current assets			
Inventory	1,485,149	1,351,565	1382629
Trade and other receivables	1,352,470	1,286,343	1,072,023
Long-term rent receivables	61,291	-	-
Income tax receivables	-	-	2,078
Cash and cash equivalents	28,487	24,283	26,490
	<u>2,927,397</u>	<u>2,662,191</u>	<u>2483220</u>
TOTAL ASSETS	<u>3,704,391</u>	<u>3,443,148</u>	<u>3,238,161</u>
LIABILITIES			
Equity			
Share capital	28,336	28,336	28,336
Share premium account	259,530	259,530	259,530
Supplementary capital	900,217	900,217	809,218
Other reserve capitals	5,935	5,935	5,935
Retained earnings	242,574	228,952	143,735
	<u>1,436,592</u>	<u>1,422,970</u>	<u>1,246,754</u>
Long-term liabilities			
Loan, borrowing and finance lease liabilities	535,378	501,426	652,582
Non-current liabilities on long-term rental	62,489	-	-
Deferred income tax provision	(14,198)	20,013	4,818
	<u>583,669</u>	<u>521,439</u>	<u>657,400</u>
Short-term liabilities			
Trade and other liabilities	826,623	659,126	810,800
Interest-bearing loans and borrowings, debt securities and leasing	780,486	823,476	514,340
Liabilities on the short-term rental	23,298	-	-
Liabilities of the reverse factoring	-	-	-
Employee benefits	15,700	14,453	8,867
Income tax liabilities	38,023	1,684	-
	<u>1,684,130</u>	<u>1,498,739</u>	<u>1,334,007</u>
TOTAL LIABILITIES	<u>3,704,391</u>	<u>3,443,148</u>	<u>3,238,161</u>

Statement of comprehensive income

(in thousand PLN)

	for the period of 3 months ended	
	on	
	<u>31/03/2019</u>	<u>31/03/2018</u>
Continued activity		
Revenues from the sale of products, goods and materials	1,454,307	1,226,323
Cost of sales	<u>(1,101,612)</u>	<u>(923,977)</u>
Gross profit on sales	352,695	302,346
Other operating revenues	11,033	3,907
Selling cost, general and administrative expenses	(181,393)	(164,488)
Costs of distribution service	(125,989)	(113,474)
Costs of license	(2,095)	(7,659)
Other operating costs	<u>(27,199)</u>	<u>(10,899)</u>
Operating profit	27,052	9,733
Financial income	890	780
Dividends received	-	43,134
Exchange differences	196	(1,799)
Financial costs	<u>(11,609)</u>	<u>(9,719)</u>
Profit before tax	16,529	42,129
Income tax	<u>(2,907)</u>	<u>224</u>
Net profit	13,622	42,353
OTHER COMPREHENSIVE INCOME		
Total other comprehensive income, net	<u>-</u>	<u>-</u>
COMPREHENSIVE INCOME	13,622	42,353
Earnings per share (PLN)		
- basic	0.96	2.99
- diluted	0.96	2.99
Number of shares	14,168,100	14,168,100
Number of shares to be diluted	14,168,100	14,168,100

Statement of changes in equity

for the period from 01 January 2019 to 31 March 2019

<i>(in thousand PLN)</i>	Share capital	Share premium account	Supplementary capital	Other reserve capitals	Retained earnings	Total equity
Shareholder's equity as at 01 January 2019	28,336	259,530	900,217	5,935	228,952	1,422,970
Statement of comprehensive income						
Profit in the reporting period	-	-	-	-	13,622	13,622
Total comprehensive income in the reporting period	-	-	-	-	13,622	13,622
Distribution of retained profits - carried over to supplementary capital	-	-	-	-	-	-
Owner's equity as at 31 March 2019	28,336	259,530	900,217	5,935	242,574	1,436,592

for the period from 01 January 2018 to 31 December 2018

<i>(in thousand PLN)</i>	Share capital	Share premium account	Supplementary capital	Other reserve capitals	Retained earnings	Total equity
Shareholder's equity as at 01 January 2018	28,336	259,530	809,218	5,935	101,382	1,204,401
Statement of comprehensive income						
Profit in the reporting period	-	-	-	-	228,628	228,628
Total comprehensive income	-	-	-	-	228,628	228,628
Transactions with shareholders						
Distribution of prior period profit – dividend	-	-	-	-	(10,059)	(10,059)
Distribution of retained profits - carried over to supplementary capital	-	-	90,999	-	(90,999)	-
Owner's equity as at 31 December 2018	28,336	259,530	900,217	5,935	228,952	1,422,970

for the period from 01 January 2018 to 31 March 2018

(in thousand PLN)

	Share capital	Share premium account	Supplementary capital	Other reserve capitals	Retained earnings	Total equity
Shareholder's equity as at 01 January 2018	28,336	259,530	809,218	5,935	101,382	1,204,401
Statement of comprehensive income						
Profit in the reporting period	-	-	-	-	42,353	42,353
Total comprehensive income in the reporting period	-	-	-	-	42,353	42,353
Distribution of retained profits - carried over to supplementary capital	-	-	-	-	-	-
Owner's equity as at 31 March 2018	28,336	259,530	809,218	5,935	143,735	1,246,754

Statement of cash flows

(in thousand PLN)

	01/01/2019 – 31/03/2019	01/01/2018 – 31/03/2018
Cash flows from operating activities		
Profit (loss) before tax	16,529	42,129
Adjustments:		
Amortization and Depreciation	14,850	6,149
Foreign exchange gains /losses	639	1,992
(Profit / loss on investing activities	(1,729)	302
Net interest and share in profits	9,632	7,978
Net dividends	-	(43,134)
Other adjustments, net	(26)	(34)
Operating profit before changes in the working capital	39,895	15,382
Increase (decrease) in inventories	(133,584)	(232,895)
Change in receivables	(65,610)	(7,489)
Change in short-term liabilities	165,390	233,204
Cash generated by operating activities	6,091	8,202
Corporate income tax paid	(779)	(798)
Net cash from operating activities	5,312	7,405
Cash flow from investing activities		
Proceeds from the sale of plant, property, equipment and intangible assets	30,958	474
Purchase of property, plant, equipment and intangible assets	(11,270)	(6,974)
Sale of shares in subordinated entities	-	-
Purchase of financial assets in related and other entities	-	(2,088)
Repayment of loans granted	5,623	276
Loans granted	-	(400)
Interest received	451	278
Dividends received	-	43,134
Net cash from investing activities	25,762	34,700
Cash flow from financing activities		
(repayments) / proceeds from credits and leases	(6,590)	(1,166)
Payment of the reverse factoring	-	-
Liabilities on credits and loans	(11,371)	(38,885)
Revenues under credits, loans and debt securities	-	-
Interest paid	(8,908)	(7,016)
Net cash from financing activities	(26,869)	(47,068)
Net change in cash and cash equivalents	4,205	(4,964)
Cash and cash equivalents at the beginning of the period	24,283	31,454
Cash and cash equivalents at the end of the period	28,488	26,490

1. Accounting principles

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

2. Investments in subordinated entities

New investments in subordinated entities did not take place in the first quarter 2019.

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

	Sales revenues		Purchase of goods and services	
	01/01/2019– 31/03/2019	01/01/2018 – 31/03/2018	01/01/2019– 31/03/2019	01/01/2018 – 31/03/2018
Inter Cars Ukraine LLC	25,377	18,434	-	-
Q-Service Sp. z o.o.	208	1,281	71,909	59,256
Lauber Sp. z o.o.	2,151	1,865	10,323	2,818
Inter Cars Česká republika s.r.o.	37,260	31,368	1,119	406
Inter Cars Slovenská republika s.r.o.	37,469	32,706	907	147
Feber Sp. z o.o.	237	381	3,741	1,543
Inter Cars Lietuva UAB	49,235	30,892	2,607	1,740
IC Development & Finance Sp. z o.o.	10	10	195	255
Inter Cars Italia srl.	4,137	494	28	18
Inter Cars d.o.o.	26,789	22,614	639	208
JC Auto S.A.	-	49	3,254	-
Inter Cars Hungária Kft.	20,011	21,555	548	480
Inter Cars Romania s.r.l.	46,394	54,694	488	418
Armatus sp. z o.o.	1	1	282	706
Cleverlog-Autoteile GmbH	20,667	12,070	102	12
Inter Cars Latvija SIA	27,660	23,465	954	158
Inter Cars Bulgaria EOOD	17,370	3,995	363	58
Inter Cars Marketing Services Sp. z o.o.	74	25	(17,387)	14,259
Inter Cars Cyprus Ltd.	-	-	-	-
ILS Sp. z o.o.	1,258	1,920	90,410	115,516
Q-Service Truck Sp. z o.o.	142	142	5,260	1,511
Malta Sp z o.o.	1	-	122,575	25,270
Inter Cars INT d.o.o. (Slovenia)	2,091	1,828	92	20
ILS Latvijas	-	9	-	-
Inter Cars Eesti OÜ	4,766	4,837	264	19
Inter Cars Piese Auto s.r.l.	2	-	-	-
Inter Cars Greece	1,140	-	-	-
	324,450	264,637	298,673	224,818

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

<i>Settlement</i>	Receivables as at	
	31/03/2019	31/12/2018
Inter Cars Ukraine LLC	55,277	48,396
Lauber Sp. z o.o.	18,268	17,032
Inter Cars Ceska Republika	55,484	43,908
Inter Cars Slovenska Republika	44,914	43,789
Feber Sp. z o.o.	155	10
Inter Cars Lietuva UAB	48,594	45,525
Inter Cars Italia srl	9,673	12,809
Inter Cars d.o.o.	141,557	128,559
JC Auto S.A.	-	298
Inter Cars Hungária Kft.	59,650	67,596
JC Auto s.r.o.	4,158	4,156
Inter Cars Romania s.r.l.	308,954	303,716
Inter Cars Latvija SIA	66,392	59,734
Inter Cars Cyprus Ltd.	-	-
Cleverlog-Autoteile GmbH	5,892	2,436
Inter Cars Bulgaria Ltd.	20,227	18,700
Inter Cars Marketing Services Sp. z o.o.	264	234
ILS Sp. z o.o.	807	1,522
Inter Cars Malta Holding Limited	1,043	1,043
Inter Cars Malta Limited	1	9,873
Q-Service Truck Sp. z o.o.	29	18
Inter Cars Slovenia	1,487	905
Inter Cars Eesti OÜ	2,230	1,946
Q-Service Sp. z o.o.	105	233
ILS Latvijas filialie	23	19
IC Development & Finance Sp. z o.o.	63	53
Armatus sp. z o.o.	-	-
Inter Cars Piese Auto s.r.l.	(84)	-84
Inter Cars Greece	(4,294)	(4,650)
Intermeko Europe Sp. z o.o.	11	11
Gross receivables from subsidiaries	840,880	807,787
Revaluation write-down on receivables (JC Auto s.r.o.)	(4,009)	(4,009)
Reserves for returns	(43,697)	(43,697)
Net receivables from subsidiaries	793,174	760,081

	Liabilities as at	
	31/03/2019	31/12/2018
Q-Service Sp. z o.o.	49,607	38,661
Lauber Sp. z o.o.	7,470	10,022
Inter Cars Ceska Republika	1,694	558
Inter Cars Slovenska Republika	278	45
Feber Sp. z o.o.	12,028	8,873
Inter Cars Lietuva UAB	667	62
Inter Cars Italia srl	65	37
Inter Cars d.o.o.	970	283
JC Auto S.A.	-	258
INTER CARS Hungária Kft.	217	316
Inter Cars Romania s.r.l.	706	494
Inter Cars Latvija SIA	223	201
Inter Cars Cyprus Ltd.	4	4
Inter Cars Marketing Services Sp. z o.o.	44,669	72,292
ILS Sp. z o.o.	75,556	63,313
Inter Cars Malta Holding Limited	(19)	(19)
Inter Cars Malta Limited	103,872	78,176
Q-Service Truck Sp. z o.o.	4,195	674
IC Development & Finance Sp. z o.o.	1,595	1,780
Inter Cars INT d o.o.	110	18
Inter Cars Eesti OÜ	100	98
Cleverlog Autoteile GMBH	102	-
Inter Cars Bulgaria EOOD	131	2
Intermeko Europe Sp. z o.o.	64	99
Armatus Sp. z o.o.	(115)	(253)
Inter Cars d.o.o. (Bosnia and Herzegovina)	5	-
Liabilities to subsidiaries	304,193	275,993

Settlements on loans and borrowings

<i>Receivables from subsidiaries</i>	31/03/2019	31/12/2018
Lauber Sp. z o.o.	8,801	8,937
IC Development & Finance Sp. z o.o.	18,697	24,094
JAG Sp. z o.o.	-	-
Inter Cars Bulgaria EOOD	977	1,019
Q-Service Truck sp z o.o.	503	502
Inter Cars Malta	12,872	12,838
Inter Cars Greece	1,326	1,317
Gross receivables on loans	43,177	48,707

Liabilities to subsidiaries

Inter Cars Marketing Services Sp. z o.o.	59,817	61,200
Inter Cars Cyprus Ltd.	83,805	83,358
	143,622	144,558

4. Contingent liabilities and sureties

Sureties and guarantees granted by Inter Cars S.A. as at 31 March 2019 amounted in total to: PLN 215,233 thousand.

In the first quarter of 2019, the Company did not grant any credit or loan sureties nor guarantees of a material value to any entity or a subsidiary of such entity.