*Consolidated quarterly report containing the interim condensed consolidated financial statements of the Auto Partner Group together with the quarterly financial information of Auto Partner S.A. for the three months ended March 31st 2022*

AUTOPARTNER

# Table of contents

This document, entitled "Consolidated quarterly report of the Auto Partner Group for the three months from January 1st to March 31st 2022", contains interim condensed consolidated financial statements of the Group. This document also contains the quarterly financial information of the parent in accordance with Par. 62.1 of the Regulation of the Minister of Finance of March 29th 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state.

# I. Interim condensed consolidated financial statements

## Interim consolidated statement of comprehensive income

| | Note | for the 3 months ended March 31st 2022 | for the 3 months ended March 31st 2021 |
|---|---|---|---|
| | | (unaudited) | (unaudited) |
| **STATEMENT OF PROFIT OR LOSS** | | | |
| Revenue | 8 | 639,571 | 475,689 |
| Cost of sales | 9 | (450,401) | (344,264) |
| **Gross profit (loss)** | | **189,170** | **131,425** |
| Distribution costs and marketing expenses | 9 | (71,707) | (49,105) |
| Warehousing (logistics) costs | 9 | (43,756) | (27,331) |
| Management and administrative expenses | 9 | (8,320) | (5,919) |
| Other gains (losses), net | 10 | 1,364 | (536) |
| Other income | | 99 | 108 |
| Other expenses | | (250) | (79) |
| **Operating profit (loss)** | | **66,600** | **48,563** |
| Finance income | 11 | 61 | 50 |
| Finance costs | 12 | (4,205) | (1,887) |
| **Profit (loss) before tax** | | **62,456** | **46,726** |
| Income tax | | (12,112) | (8,971) |
| **Net profit (loss)** | | **50,344** | **37,755** |
| **OTHER COMPREHENSIVE INCOME** | | | |
| Exchange differences on translation of foreign operations | | (214) | (120) |
| **Other comprehensive income that will be reclassified to profit or loss** | | **(214)** | **(120)** |
| **Other comprehensive income, net** | | **(214)** | **(120)** |
| **TOTAL COMPREHENSIVE INCOME** | | **50,130** | **37,635** |
| **Net profit (loss) attributable to:** | | | |
| Owners of the parent | | 50,344 | 37,755 |
| **Total comprehensive income attributable to:** | | | |
| Owners of the parent | | 50,130 | 37,635 |
| **Earnings (loss) per share** (PLN per share) | | | |
| From continuing operations: | | | |
| Basic | | 0.39 | 0.29 |
| Diluted | | 0.39 | 0.29 |

# Interim consolidated statement of financial position

| | Note | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|---|
| | | (unaudited) | |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Intangible assets | 14 | 21,939 | 20,561 |
| Property, plant and equipment | 13 | 174,515 | 169,337 |
| Investments in other entities | 15 | 110 | 110 |
| Other long-term receivables | 18 | 3,931 | 3,638 |
| Other non-current financial assets | 16 | 3 | 8 |
| Deferred tax assets | | 461 | 1,048 |
| **Total non-current assets** | | **200,959** | **194,702** |
| **Current assets** | | | |
| Inventories | 17.1 | 827,688 | 738,506 |
| Right-of-return assets | 17.2 | 12,155 | 10,859 |
| Trade and other receivables | 18 | 268,387 | 241,534 |
| Other financial assets | 16 | 3,534 | 12 |
| Current tax assets | | - | 221 |
| Cash and cash equivalents | 28 | 35,951 | 16,936 |
| **Total current assets** | | **1,147,715** | **1,008,068** |
| **Total assets** | | **1,348,674** | **1,202,770** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital issued | 19 | 13,062 | 13,062 |
| Share premium | 19 | 106,299 | 106,299 |
| Other capital reserves | 19 | 1,203 | 1,418 |
| Retained earnings | 19 | 585,061 | 534,717 |
| **Equity attributable to owners of the parent** | | **705,625** | **655,496** |
| **Total equity** | | **705,625** | **655,496** |
| **Non-current liabilities** | | | |
| Long-term borrowings | 20 | 107,865 | 93,896 |
| Lease liabilities | 22 | 69,318 | 72,610 |
| Employee benefit obligations and provisions | 23 | 965 | 1,077 |
| Deferred tax liability | | 1,833 | 12,550 |
| **Total non-current liabilities** | | **179,981** | **180,133** |
| **Current liabilities** | | | |
| Trade and other payables | 21.1 | 170,075 | 94,878 |
| Contract and right-of-return liabilities | 21.2 | 16,961 | 15,593 |
| Short-term borrowings | 20 | 171,760 | 168,928 |
| Lease liabilities | 22 | 32,655 | 32,509 |
| Current tax liability | | 39,331 | 23,724 |
| Employee benefit obligations and provisions | 23 | 24,710 | 21,663 |
| Short-term provisions | | 7,576 | 9,846 |
| **Total current liabilities** | | **463,068** | **367,141** |
| **Total liabilities** | | **643,049** | **547,274** |
| **Total equity and liabilities** | | **1,348,674** | **1,202,770** |

# Interim consolidated statement of cash flows

| *indirect method* | Note | for the 3 months ended March 31st 2022 | March 31st 2021 |
|---|---|---|---|
| | | (unaudited) | (unaudited) |
| **Cash flows from operating activities** | | | |
| **Profit before tax** | | **62,456** | **46,726** |
| **Adjustments:** | | | |
| Depreciation and amortisation | | 7,388 | 6,142 |
| Foreign exchange gains/losses | | 240 | 169 |
| Adjustments for gains/losses on sale of non-current assets | | (16) | 95 |
| Other adjustments with cash flows from financing or investing activities | | - | (23) |
| Finance costs recognised in profit or loss | | 3,668 | 1,600 |
| Other adjustments | | - | (3) |
| Change in inventories | | (89,182) | (115,312) |
| Change in right-of-return assets | | (1,296) | (1,740) |
| Change in trade and other receivables | | (27,630) | (46,724) |
| Change in trade and other payables | | 73,058 | 102,932 |
| Change in contract and right-of-return liabilities | | 1,368 | 2,313 |
| Change in employee benefit obligations and provisions | | 665 | 1,644 |
| **Cash from operating activities** | | **30,719** | **(2,181)** |
| Income tax paid | | (6,414) | (5,241) |
| **Net cash from operating activities** | | **24,305** | **(7,422)** |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment and intangible assets | | (7,428) | (3,205) |
| Disposal of property, plant and equipment and intangible assets | | 33 | 61 |
| Loans | | (3,399) | (2,384) |
| Repayment of loans | | 6 | 2 |
| Receipts from lease | | 3 | 2 |
| Interest received | | - | - |
| Receipts from forward contracts | | - | - |
| Payments for forward contracts | | - | - |
| **Net cash from investing activities** | | **(10,785)** | **(5,524)** |
| **Cash flows from financing activities** | | | |
| Dividend paid | | - | - |
| Borrowings received | | 16,834 | 26,310 |
| Borrowings repaid | | (4) | (8) |
| Payment of lease liabilities | | (7,700) | (6,700) |
| Interest and commissions paid | | (3,547) | (1,319) |
| **Net cash from financing activities** | | **5,583** | **18,283** |
| **Total net cash flows** | | **19,103** | **5,337** |
| Cash and cash equivalents at beginning of period | | 16,936 | 21,206 |
| Effect of exchange rate movements on net cash in foreign currencies | | (88) | (43) |
| **Cash and cash equivalents at end of period** | 28 | **36,039** | **26,543** |

# Interim consolidated statement of changes in equity

| | Share capital issued | Capital from issue of warrants | Share premium | Retained earnings | Translation reserve | Total equity |
|---|---|---|---|---|---|---|
| **As at December 31st 2020** | **13,062** | **2,103** | **106,299** | **361,755** | **(292)** | **482,927** |
| Net profit for period | | | | 37,755 | | **37,755** |
| Other comprehensive income for period, net | | | | | (120) | **(120)** |
| **Total comprehensive income** | | | | **37,755** | **(120)** | **37,635** |
| **Balance as at March 31st 2021** (unaudited) | **13,062** | **2,103** | **106,299** | **399,510** | **(412)** | **520,562** |
| | | | | | | |
| **As at December 31st 2021** | **13,062** | **2,103** | **106,299** | **534,717** | **(685)** | **655,496** |
| Net profit for period | | | | 50,344 | | **50,344** |
| Other comprehensive income for period, net | | | | | (215) | **(215)** |
| **Total comprehensive income** | | | | **50,344** | **(215)** | **50,129** |
| **Balance as at March 31st 2022** (unaudited) | **13,062** | **2,103** | **106,299** | **585,061** | **(900)** | **705,625** |

In the reporting periods ended December 31st 2021 and March 31st 2022, there were no non-controlling interests.

# Notes

## 1. General information

**The Parent**

Auto Partner S.A. with its registered office at ul. Ekonomiczna 20, 43-150 Bieruń, Poland, is registered with the National Court Register at the District Court for Katowice-Wschód, 8th Commercial Division of the National Court Register, entry No. KRS 0000291327.

The Company's principal business consists in the organisation of distribution of vehicle spare parts directly from manufacturers to end users. The Company is an importer and distributor of parts for passenger cars and delivery vehicles in the market for spare parts classified in accordance with the GVO regulations and directives of the European Union.

The Company has been established for indefinite time. The Company's financial year is the same as the calendar year.

As at the date of authorisation of these financial statements for issue, the Management Board was composed of:

Aleksander Górecki – President of the Management Board,
Andrzej Manowski – Vice President of the Management Board,
Piotr Janta – Vice President of the Management Board.

As at the date of authorisation of the financial statements for issue, the Supervisory Board was composed of:

Jarosław Plisz – Chairman of the Supervisory Board,
Bogumił Woźny – Deputy Chairman of the Supervisory Board,
Andrzej Urban – Member of the Supervisory Board,
Bogumił Kamiński – Member of the Supervisory Board,
Mateusz Melich – Member of the Supervisory Board.

Commercial proxy: Grzegorz Lenda – joint commercial proxy.

Qualified Auditor: PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., with its registered office at ul. Polna 11, Warsaw. For detailed information on the selection of the Auditor, see Section 15 of Part III *Key supplementary information to the consolidated quarterly report* of this Report.

Listing venue: Auto Partner S.A. shares are listed on the Warsaw Stock Exchange in the continuous trading system.

Structure of share capital: The structure of the Company's share capital as at March 31st 2022 is presented below.

| **The share capital consists of:** | **number of shares** | **par value per share** | **amount of share capital** |
|---|---|---|---|
| Series A ordinary bearer shares | 1,000 | PLN 0.10 | PLN 100.00 |
| Series B ordinary bearer shares | 111,110 | PLN 0.10 | PLN 11,111.00 |
| Series C ordinary bearer shares | 160,386 | PLN 0.10 | PLN 16,038.60 |
| Series D ordinary bearer shares | 48,319,769 | PLN 0.10 | PLN 4,831,976.90 |
| Series E ordinary bearer shares | 39,964,295 | PLN 0.10 | PLN 3,996,429.50 |
| Series F ordinary bearer shares | 4,444,440 | PLN 0.10 | PLN 444,444.00 |
| Series G ordinary bearer shares | 999,000 | PLN 0.10 | PLN 99,900.00 |
| Series H ordinary bearer shares | 23,000,000 | PLN 0.10 | PLN 2,300,000.00 |
| Series I ordinary bearer shares | 2,070,000 | PLN 0.10 | PLN 207,000.00 |
| Series J ordinary bearer shares | 11,550,000 | PLN 0.10 | PLN 1,155,000.00 |
| **Total** | **130,620,000** | | **PLN 13,062,000.00** |

## The Group

As at the reporting date, the Auto Partner Group comprised Auto Partner S.A. as the parent and four subsidiaries consolidated with the full method.

All the companies comprising in the Group have been established for indefinite time. Financial statements of all subsidiaries have been prepared for the same period as the parent's financial statements, in accordance with consistently applied uniform accounting policies.

The financial year of the parent and the Group companies is the same as the calendar year.

The Group's principal business activity consists in the organisation of distribution of vehicle spare parts directly from manufacturers to end users. The Group is an importer and distributor of parts for passenger cars and delivery vehicles in the market for spare parts classified in accordance with the GVO regulations and directives of the European Union.

In the reporting period, the Group was comprised of the following fully consolidated subsidiaries:

| **Entity** | **Principal business** | **Registered office** | **% ownership interest** | |
|---|---|---|---|---|
| | | | **As at March 31st 2022** | **As at December 31st 2021** |
| Maxgear Sp. z o.o. Sp. komandytowa | sale of spare parts and accessories for motor vehicles | Bieruń, Poland | 100%* | 100%* |
| Maxgear Sp. z o.o. | sale of spare parts and accessories for motor vehicles | Poland, Tychy | 100% | 100% |
| AP Auto Partner CZ, s.r.o. | sale of spare parts and accessories for motor vehicles | Prague, Czech Republic | 100% | 100% |
| AP Auto Partner RO, s.r.l. | sale of spare parts and accessories for motor vehicles | Timisoara, Romania | 100% | 100% |

*) 99% of the voting rights are held by Auto Partner S.A. as a limited partner; 1% of the voting rights are held by the general partner, in which Auto Partner S.A. holds 100% of the voting rights.

## 2. Statement of compliance and basis of preparation

These unaudited interim condensed consolidated financial statements ("financial statements") of the Group for the period January 1st 2022 to March 31st 2022 and for the corresponding period of the previous year have been prepared in accordance with IAS 34 *Interim Financial Reporting* and all accounting standards applicable to interim financial reporting adopted by the European Union, issued and effective as at March 31st 2022.

The accounting policies applied in the preparation of these condensed consolidated financial statements are consistent with the policies applied in the preparation of the full-year consolidated financial statements for the financial year ended December 31st 2021.

These interim condensed consolidated financial statements should be read in conjunction with the audited full-year consolidated financial statements for the year ended December 31st 2021 prepared in accordance with IFRS.

These interim condensed consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future. As at the date of authorisation of these financial statements, there were no circumstances indicating any threat to the Group's ability to continue as a going concern.

All amounts in these interim condensed consolidated financial statements are presented in PLN thousands, unless indicated otherwise.

## 3. Change of accounting policies and presentation

### *3.1. Changes in accounting policies*

In the reporting period, the Group did not make any changes in its accounting policies.

### *3.2. Presentation changes*

In the reporting period, the Group did not make any presentation changes.

## 4. Amendments to standards and interpretations

The following amendments to existing standards issued by the International Accounting Standards Board (IASB) and endorsed by the EU have been applied for the first time in 2022:

**Amendments to IFRS 3 *Business Combinations***
The amendments to the standard issued in May 2020 are intended to update the relevant references to the Conceptual Framework in IFRS without introducing any substantive changes to accounting for business combinations.

**Amendments to IAS 16 *Property, Plant and Equipment***
The amendment to IAS 16 prohibits a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

**Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets***
The amendments to IAS 37 clarify what costs an entity considers in assessing whether a contract is onerous.

**Annual Improvements to IFRSs 2018−2020 Cycle**
Annual Improvements to IFRSs 2018−2020 Cycle amend the following standards: IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 9 *Financial Instruments*, IAS 41 *Agriculture*, and illustrative examples for IFRS 16 *Leases*. The amendments explain and clarify the guidance on recognition and measurement provided in the standards.

The amendments listed above have not had a material effect on the financial statements.

Issued standards and interpretations which are not yet effective and have not been adopted by the Group early:

**IFRS 17 *Insurance Contracts* and amendments to IFRS 17**

IFRS 17 *Insurance Contracts* was issued by the International Accounting Standards Board on May 18th 2017, and amendments to IFRS 17 were issued on June 25th 2020. The amended standard is effective for annual periods beginning on or after January 1st 2023. IFRS 17 *Insurance Contracts* will replace existing IFRS 4, which provides for diverse practices in accounting for insurance contracts. IFRS 17 will substantially change the accounting practices of all entities that deal with insurance contracts and investment agreements.

**Amendment to IAS 1 *Presentation of Financial Statements* and the IASB Practice Statement on Disclosure of Accounting Policies**

The amendment to IAS 1 requires entities to disclose their material accounting policy information, which is defined in the Standard. It clarifies that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements. In addition, the IASB's guidance was amended with respect to the application of the materiality concept in practice, to provide guidance on the application of the materiality concept to accounting policy disclosures. The amendment applies from January 1st 2023.

**Amendment to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors***

In February 2021, the IASB issued an amendment to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* as regards the definition of accounting estimates. The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The amendment applies from January 1st 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 decommissioning obligations. Prior to the amendments, it was not clear whether the initial recognition exception applied to such transactions, i.e., transactions that lead to the recognition of both deferred tax assets and liabilities. The amendments to IAS 12 clarify that the exemption does not apply and that entities are required to recognise deferred tax on such transactions. The amendments require companies to recognise deferred tax on transactions that at the time of initial recognition give rise to equal taxable and deductible temporary differences. The amendments are effective for financial statements for periods beginning on or after January 1st 2023. As at the date of these financial statements, the amendments were not yet endorsed by the European Union.

**Amendments to IAS 1 *Presentation of Financial Statements***

The IASB has published amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. The amendments are effective for financial statements for periods beginning on or after January 1st 2023. As at the date of these financial statements, the amendments were not yet endorsed by the European Union.

**Amendment to IFRS 17 *Insurance Contracts***

The amendment relates to transition requirements following the initial 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 during the period of initial application of the new standard by introducing certain expedients with respect to the presentation of comparative data. The amendment relates to the application of the new standard by insurers only – it does not affect any other requirements of IFRS 17. As at the date of these financial statements, the amendment was not yet endorsed by the European Union.

## 5. Significant assessments and estimates

The preparation of financial statements in accordance with IFRS requires the Management Board of the Group to use judgements and estimates which affect the applied accounting policies and the amounts of reported assets, liabilities, income and expenses. Judgements and estimates are reviewed on an ongoing basis. A change in estimates is recognised in profit or loss for the period in which the change occurred. During the reporting period, there were no material changes in judgements and estimates.

## 6. Seasonality

The sale of spare parts and accessories, which constitutes the principal business activity of the Group, is subject to seasonal fluctuations during the year. The highest sale volumes are recorded in the spring season (March to April/May) and in autumn (October and November), and additionally during summer months, while being relatively the lowest in winter. The seasonality of sales is reflected in higher demand for merchandise, which results in a seasonal increase in purchases of merchandise and the amount of related trade payables before the high seasons, especially spring.

## 7. Functional and reporting currency

These consolidated financial statements have been prepared in the Polish złoty (PLN). The Polish złoty is the functional currency of the parent and the reporting currency adopted for these consolidated financial statements. The data contained in these financial statements is presented in thousands of złoty, unless more accurate information is provided in specific cases.

The functional currencies of the foreign subsidiaries are the Czech koruna (CZK) and the Romanian leu (RON). The following policies have been applied to translate financial data for the purpose of consolidating the financial statements of foreign subsidiaries:

items of the statement of financial position have been translated at the mid rates quoted by the National Bank of Poland at the end of the reporting period:

| **NBP mid rate at end of reporting period** | **March 31st 2022** | **December 31st 2021** |
|---|---|---|
| CZK | 0.1903 | 0.1850 |
| RON | 0.9404 | 0.9293 |

items of the statement of profit or loss and comprehensive income have been translated at the average of exchange rates quoted by the National Bank of Poland for the last day of each month in the reporting period:

| **NBP mid rate in reporting period** | **3 months 2022** | **3 months 2021** |
|---|---|---|
| CZK | 0.1888 | 0.1751 |
| RON | 0.9393 | 0.9346 |

Exchange differences on translation of foreign operations are recognised in other comprehensive income and as translation reserve in equity.

## 8. Revenue

The principal business of the Group is the sale of spare parts and accessories for motor vehicles, therefore the Management Board does not identify separate reportable segments for the purposes of managing the Group's business.

The Group does not have key customers and sales to none of the Group's customers exceed 10% of total sales.

| | **Period ended March 31st 2022** | **Period ended March 31st 2021** |
|---|---|---|
| **Revenue from sale of merchandise** | **638,971** | **475,207** |
| including: | | |
| *Sales of merchandise – Poland* | *318,804* | *261,587* |
| *Sales of merchandise – EU* | *316,959* | *211,183* |
| *Sales of merchandise – other exports* | *3,208* | *2,437* |
| **Revenue from rendering of services** | **600** | **482** |
| including: | | |
| *Sales of services – Poland* | *163* | *120* |
| *Sales of services – EU* | *437* | *362* |
| **Total revenue** | **639,571** | **475,689** |

## 9. Costs by nature and function of expense

| | **Period ended March 31st 2022** | **Period ended March 31st 2021** |
|---|---|---|
| Depreciation and amortisation | (7,388) | (6,142) |
| Raw materials and consumables used | (6,638) | (4,094) |
| Services | (66,767) | (43,602) |
| Taxes and charges | (928) | (443) |

| | | |
|---|---|---|
| Employee benefits expense *) | (41,149) | (25,476) |
| Other costs by nature of expense | (914) | (2,599) |
| Merchandise and materials sold | (450,400) | (344,263) |
| **Total costs by nature of expense** | **(574,184)** | **(426,619)** |
| Cost of sales | (450,401) | (344,264) |
| Distribution costs and marketing expenses | (71,707) | (49,105) |
| Warehousing (logistics) costs | (43,756) | (27,331) |
| Management and administrative expenses | (8,320) | (5,919) |
| **Total costs by function of expense** | **(574,184)** | **(426,619)** |

*) On February 26th 2021, The Company filed an application with the Provincial Labour Office in Katowice for grant to subsidise remuneration for employees not covered by any economic downtime or reduced amount of working time, due to the decline in turnover caused by the COVID-19 pandemic. The application was submitted pursuant to Art. 15gg of the Act on special arrangements to prevent, counteract and combat COVID-19, other infectious diseases and crisis situations caused by them, dated March 2nd 2020 (Dz. U. of 2020s, item 374, as amended). Amount requested: PLN 11,240,302.08, including: grant for social security contributions: PLN 1,648,794.12, grant for employee remuneration: PLN 9,591,507.96. On March 16th 2021, the Group's bank account was credited with the amount of PLN 7,493,534.72 under the first and second tranches of the grant. On April 16th 2021 the Group received one more tranche of the grant, in the amount of PLN 3,746,767.36 as per the application. In accordance with the application, the grants were used to pay employee remuneration and social security contributions for February, March and April 2021. Following full settlement of the application, the final amount of the grant totalled PLN 8,855,188.20, with PLN 2,385,113.88 returned by the Group to the bank account of the Provincial Labour Office in Katowice. Below is presented the effect of the grants received as at March 31st 2021:

| | **Period ended March 31st 2021** | grant amount | **Period ended March 31st 2021** |
|---|---|---|---|
| | excluding grants | | including grants |
| Depreciation and amortisation | (6,142) | | (6,142) |
| Raw materials and consumables used | (4,094) | | (4,094) |
| Services | (43,602) | | (43,602) |
| Taxes and charges | (443) | | (443) |
| Employee benefits expense *) | (32,970) | 7,494 | (25,476) |
| Other costs by nature of expense | (2,599) | | (2,599) |
| Merchandise and materials sold | (344,263) | | (344,263) |
| **Total costs by nature of expense** | **(434,113)** | **7,494** | **(426,619)** |
| Cost of sales | (344,264) | - | (344,264) |
| Distribution costs and marketing expenses | (51,989) | 2,884 | (49,105) |
| Warehousing (logistics) costs | (31,603) | 4,272 | (27,331) |
| Management and administrative expenses | (6,257) | 338 | (5,919) |
| **Total costs by function of expense** | **(434,113)** | **7,494** | **(426,619)** |

## 10. Other net gains (losses)

| | **Period ended March 31st 2022** | **Period ended March 31st 2021** |
|---|---|---|
| Foreign exchange gains or losses on operating activities – unrealised | 1,006 | (806) |
| Foreign exchange gains or losses on operating activities – realised | 996 | 970 |
| Gains/losses on impairment of receivables | (638) | (649) |
| Other | - | (51) |
| **Other gains (losses) net** | **1,364** | **(536)** |

## 11. Finance income

| | Period ended March 31st 2022 | Period ended March 31st 2021 |
|---|---|---|
| Gains on realised currency forward contracts measured at fair value through profit or loss | - | - |
| Foreign exchange gains (losses) on financing activities | - | - |
| Interest on loans | 34 | 22 |
| Interest on trade receivables | 25 | 25 |
| Other finance income | 2 | 3 |
| **Total finance income** | **61** | **50** |

## 12. Finance costs

| | Period ended March 31st 2022 | Period ended March 31st 2021 |
|---|---|---|
| **Interest expense:** | | |
| Interest on term and overdraft facilities | (2,288) | (288) |
| Interest on non-bank borrowings from related entities | (334) | (334) |
| Interest on lease liabilities (other leases) | (573) | (432) |
| Interest on lease liabilities (office and warehouse space leases) | (252) | (231) |
| Interest on factoring liabilities | - | - |
| Other interest expense | (1) | (5) |
| | (3,448) | (1,290) |
| **Other finance costs:** | | |
| Losses on realised currency forward contracts measured at fair value through profit or loss | - | - |
| Foreign exchange gains (losses) on financing activities | (529) | (275) |
| Credit commissions and fees | (196) | (295) |
| Factoring commissions and fees | (25) | (15) |
| Other finance costs | (7) | (12) |
| | (757) | (597) |
| **Total finance costs** | **(4,205)** | **(1,887)** |

## 13. Property, plant and equipment

| - | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| Buildings and structures | 47,912 | 48,802 |
| Machinery and equipment | 47,139 | 45,440 |
| Vehicles | 11,379 | 11,649 |
| Other | 42,902 | 42,246 |
| Property, plant and equipment under construction | 25,183 | 21,200 |
| **Total carrying amount of property, plant and equipment** | **174,515** | **169,337** |

In the statement of financial position, the Group presents right-of-use assets (lease contracts) in the same line item as the assets owned by the Group. Such assets and the related depreciation expense are presented below.

| - | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| Buildings and structures | 45,180 | 46,065 |
| Machinery and equipment | 28,926 | 28,921 |
| Vehicles | 7,162 | 7,464 |
| Other | 23,971 | 25,208 |
| Property, plant and equipment under construction (i) | 17,995 | 17,995 |
| **Total carrying amount of property, plant and equipment under right-of-use arrangements** | **123,234** | **125,653** |

| - | Period ended March 31st 2022 | Period ended March 31st 2021 |
|---|---|---|
| Buildings and structures | 3,341 | 2,830 |
| Machinery and equipment | 1,307 | 1,089 |
| Vehicles | 299 | 283 |
| Other | 345 | 294 |
| **Total depreciation of property, plant and equipment under right-of-use arrangements** | **5,292** | **4,496** |

Right-of-use assets are mainly contracts for lease of cars, storage racks, internal transport and handling systems, as well as office space and hardware rental contracts. Items of property, plant and equipment disclosed as used under lease contracts are secured with lessors' rights to leased assets. For information on lease liabilities, see Note 22.

As at March 31st 2022, the net carrying amount of property, plant and equipment financed with a borrowing (Note 20) was PLN 12 thousand (December 31st 2021: PLN 16 thousand), and was secured with the lender's rights.

(i) Leased property, plant and equipment under construction include lease contract assets not yet commissioned at end of period.

| Movements in property, plant and equipment | Buildings and structures | Machinery and equipment | Vehicles | Other property, plant and equipment | Property, plant and equipment under construction | Total |
|---|---|---|---|---|---|---|
| **Gross carrying amount as at December 31st 2020** | **68,142** | **56,394** | **18,777** | **46,710** | **5,429** | **195,452** |
| **Increase** | | | | | | |
| Purchase | 938 | 5,337 | 368 | 2,620 | 2,697 | **11,960** |
| Accounting for property, plant and equipment under construction – purchase | - | 1,076 | - | 321 | (1,397) | **-** |
| Leases | 15,172 | 7,180 | 3,054 | 6,824 | 17,995 | **50,225** |
| Accounting for property, plant and equipment under construction – leases | - | 3,524 | - | - | (3,524) | **-** |
| Other | - | 9 | - | (3) | - | **6** |
| **Decrease** | | | - | | | **-** |
| Disposal | - | (243) | (674) | (374) | - | **(1,291)** |
| Retirement | - | (21) | (110) | (45) | - | **(176)** |
| Other | 1 | - | 15 | (2) | - | **14** |
| **Gross carrying amount as at December 31st 2021** | **84,253** | **73,256** | **21,430** | **56,051** | **21,200** | **256,190** |
| **Increase** | | | | | | |
| Purchase | 110 | 2,246 | 47 | 955 | 4,247 | **7,605** |

| | | | | | | |
|---|---|---|---|---|---|---|
| Accounting for property, plant and equipment under construction – purchase | - | 31 | - | 233 | (264) | **-** |
| Leases | 2,457 | - | - | - | - | **2,457** |
| Accounting for property, plant and equipment under construction – leases | - | 1,567 | 179 | 280 | - | **2,026** |
| Other | - | 1 | 5 | - | - | **6** |
| **Decrease** | | | | | | |
| Disposal | - | (23) | (107) | (69) | - | **(199)** |
| Retirement | - | - | (60) | - | - | **(60)** |
| Other | - | (62) | (20) | (3) | - | **(85)** |
| **Gross carrying amount as at March 31st 2022** | **86,820** | **77,016** | **21,474** | **57,447** | **25,183** | **267,940** |
| | | | | | | |
| **Accumulated depreciation as at December 31st 2020** | **22,889** | **20,613** | **8,490** | **11,203** | **-** | **63,195** |
| Depreciation in period | 12,562 | 7,359 | 1,700 | 2,743 | - | **24,364** |
| Disposal | - | (156) | (463) | (141) | - | **(760)** |
| Retirement | - | - | (33) | - | - | **(33)** |
| Other | - | - | 87 | - | - | **87** |
| **Accumulated depreciation as at December 31st 2021** | **35,451** | **27,816** | **9,781** | **13,805** | **-** | **86,853** |
| Depreciation in period | 3,457 | 2,080 | 467 | 795 | - | **6,799** |
| Disposal | - | (19) | (90) | (55) | - | **(164)** |
| Retirement | - | - | (51) | - | - | **(51)** |
| Other | - | - | (12) | - | - | **(12)** |
| **Accumulated depreciation as at March 31st 2022** | **38,908** | **29,877** | **10,095** | **14,545** | **-** | **93,425** |
| | | | | | | |
| **Net carrying amount as at December 31st 2021** | **48,802** | **45,440** | **11,649** | **42,246** | **21,200** | **169,337** |
| **Net carrying amount as at March 31st 2022** | **47,912** | **47,139** | **11,379** | **42,902** | **25,183** | **174,515** |

## 14. Intangible assets

| - | **As at March 31st 2022** | **As at December 31st 2021** |
|---|---|---|
| Software | 10,212 | 10,132 |
| Intangible assets under development | 11,727 | 10,429 |
| **Total carrying amount of intangible assets** | **21,939** | **20,561** |

In the statement of financial position, the Group discloses right-of-use intangible assets (lease contracts) under the same item as intangible assets owned by the Group. The intangible assets and the related amortisation expense are presented below.

| - | **As at March 31st 2022** | **As at December 31st 2021** |
|---|---|---|
| Software | 3,554 | 3,681 |
| **Total carrying amount of right-of-use intangible assets** | **3,554** | **3,681** |

| - | **Period ended March 31st 2022** | **Period ended March 31st 2021** |
|---|---|---|
| Software | 127 | 43 |
| **Total amortisation of right-of-use intangible assets** | **127** | **43** |

| Movements in intangible assets | Software | Other intangible assets | Intangible assets under development | Total |
|---|---|---|---|---|
| **Gross carrying amount as at December 31st 2020** | **20,335** | **336** | **5,591** | **26,262** |
| **Increase** | | | | |
| Purchase | 546 | - | 6,137 | **6,683** |
| Accounting for intangible assets under development – purchase | 1,042 | - | (1,042) | **-** |
| Leases | 3,222 | - | - | **3,222** |
| Accounting for intangible assets under development – leases | | - | - | **-** |
| Other | - | - | (257) | **(257)** |
| **Decrease** | | | | |
| Other | - | 7 | - | **7** |
| **Gross carrying amount as at December 31st 2021** | **25,145** | **343** | **10,429** | **35,917** |
| **Increase** | | | | |
| Purchase | 258 | - | 1,705 | **1,963** |
| Accounting for intangible assets under development – purchase | 407 | - | (407) | **-** |
| Leases | - | - | - | **-** |
| Accounting for intangible assets under development – leases | - | - | - | **-** |
| Other | - | - | - | **-** |
| **Decrease** | | | | |
| Other | 4 | - | - | **4** |
| **Gross carrying amount as at March 31st 2022** | **25,814** | **343** | **11,727** | **37,884** |
| | | | | |
| **Accumulated amortisation as at December 31st 2020** | **13,200** | **336** | **-** | **13,536** |
| Amortisation in period | 1,813 | - | - | **1,813** |
| Other | - | 7 | - | |
| **Accumulated amortisation as at December 31st 2021** | **15,013** | **343** | **-** | **15,356** |
| Amortisation in period | 583 | - | - | **583** |
| Other | 6 | - | - | **6** |
| **Accumulated amortisation as at March 31st 2022** | **15,602** | **343** | **-** | **15,945** |
| | | | | |
| **Net carrying amount as at December 31st 2021** | **10,132** | **-** | **10,429** | **20,561** |
| **Net carrying amount as at March 31st 2022** | **10,212** | **-** | **11,727** | **21,939** |

## 15. Investments in other entities

| | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| Shares in other entities | 110 | 110 |
| **Total** | **110** | **110** |

## 16. Other financial assets

| | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| **Loans measured at amortised cost** | | |
| Loans to other entities | 3,537 | 20 |
| **Total** | **3,537** | **20** |
| Long-term | 3 | 8 |
| Short-term | 3,534 | 12 |
| **Total** | **3,537** | **20** |

On January 11th 2022, the Issuer entered into an agreement with Global One Automotive GmbH of Frankfurt whereby it advanced a EUR 750 thousand loan to Global One. The loan bears interest at 4.5%. The agreement was concluded for a definite term until June 30th 2022. The Company holds 6.25% of shares in Global One Automotive GmbH as a participant in the International Purchasing Group (since 2017).

There were no financial assets measured at fair value through profit or loss.

## 17. Inventories and right-of-return assets

### *17.1 Inventories*

Merchandise is stored at central and subsidiary warehouses and is insured against theft, burglary and robbery, as well as fire and other natural calamities.

| | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| Merchandise | 836,996 | 748,956 |
| Write-downs | (9,308) | (10,450) |
| **Total** | **827,688** | **738,506** |

Change in inventory write-downs

| - | Period ended March 31st 2022 | Period ended March 31st 2021 |
|---|---|---|
| At beginning of period | 10,450 | 7,652 |
| Decrease | (1,392) | (988) |
| Increase | 250 | 1,003 |
| **As at end of period** | **9,308** | **7,667** |

The cost of inventory write-downs comprises write-downs of inventories to their net realisable value as well as write-downs for goods that are of inferior quality or damaged.

Inventories pledged as security

The Group created a registered pledge over inventories as security for bank borrowings; for details, see Note 20. The amount of liabilities secured with the pledge is presented below.

| - | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| Liabilities secured with pledge on inventories | 251,494 | 234,773 |

Under purchase contracts concluded with certain suppliers, the supplied goods are deemed to become the property of the Group upon payment of the full purchase price. In the opinion of the Management Board of the Group, all significant risks incidental to the purchased goods are transferred upon delivery of the goods and therefore the purchase is recognised at the time of receipt of the delivery, while the reservation of transfer of ownership by the seller serves as a security for the Group's trade payables.

Recognised inventory cost

| - | Period ended March 31st 2022 | Period ended March 31st 2021 |
|---|---|---|
| Cost of sales | (450,401) | (344,264) |
| Distribution costs | (1,188) | (1,144) |
| **Total inventory cost recognised** | **(451,589)** | **(345,408)** |

Distribution costs comprise mainly the cost of warranty replacement of goods.

### *17.2 Right-of-return assets*

| | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| Right-of-return assets | 12,155 | 10,859 |

Customers may freely return purchased goods within 14 days from the purchase date, provided that the goods do not bear any traces of use. Warranty replacements are governed by the applicable provisions of the Polish Civil Code. The Group estimated the value of future adjustments to sales to reflect returns by customers based on historical data on returns and the current period's turnover.

## 18. Trade and other receivables

| | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| Trade receivables payable up to 12 months | 195,790 | 184,042 |
| Trade receivables payable in more than 12 months | 1,426 | 1,524 |
| Impairment losses on trade receivables | (7,325) | (6,561) |
| **Total trade receivables** | **189,891** | **179,005** |
| Income receivable from participation in Global One purchasing group (i) | 21,451 | 21,766 |
| Impairment loss on income receivable from participation in the Global One purchasing group (i) | (650) | (648) |
| Finance lease receivables | - | 5 |
| Receivables from card system operators | 1,555 | 1,179 |
| Rent deposits receivable (ii) | 2,099 | 1,762 |
| Other financial receivables | 4,776 | 4,883 |
| Impairment losses on other receivables | (902) | (902) |
| **Total trade and other financial receivables** | **218,220** | **207,050** |
| Prepaid deliveries | 23,318 | 13,522 |
| Receivables on sale of property, plant and equipment | - | 8 |
| Prepayments and accrued income | 5,794 | 5,362 |
| VAT tax to be settled in future periods/refunded to bank account | 24,892 | 18,991 |
| Other non-financial receivables | 94 | 239 |
| **Total non-financial receivables** | **54,098** | **38,122** |
| **Total trade and other receivables** | **272,318** | **245,172** |
| Other long-term receivables | 3,931 | 3,638 |
| Trade and other receivables | 268,387 | 241,534 |
| **Total trade and other receivables** | **272,318** | **245,172** |

(i) Income receivable from participation in the Global One Automotive GmbH purchasing group is the amount of additional discounts on purchases made in a given financial year. The allowance was recognised for not past due receivables.

(ii) The Group paid security deposits pursuant to the terms of property lease contracts. The deposits serve as security for payment of liabilities under the contracts, as well as liquidated damages or compensation, if any.

The amount of credit loss allowance by the past due date groups of receivables is presented below.

| | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| not past due | 354 | 259 |
| past due 1-30 days | 35 | 38 |
| past due 31-90 days | 123 | 76 |
| past due 91-120 days | 226 | 152 |
| past due 121-180 days | 170 | 273 |
| past due 181-360 days | 728 | 346 |
| over 360 days | 5,689 | 5,417 |
| **Total impairment losses on trade receivables** | **7,325** | **6,561** |

The change in the amount of the credit loss allowances for other receivables is presented below.

| | Period ended March 31st 2022 | Period ended March 31st 2021 |
|---|---|---|
| At beginning of period | 902 | 882 |
| Increase | - | - |
| Decrease | - | (100) |
| **As at end of period** | **902** | **782** |

<u>Trade and other receivables pledged as security</u>

Trade receivables are pledged as security for credit facilities; for details, see Note 20. The amount of receivables pledged as security in the reporting periods is presented below.

| | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| Receivables pledged as security | 91,149 | 72,937 |

## 19. Share capital, equity

### *19.1 Share capital*

Auto Partner S.A. shares are listed on the Warsaw Stock Exchange in the continuous trading system.

| | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| **Fully paid-up share capital** | **13,062** | **13,062** |
| Series A ordinary bearer shares | 1 | 1 |

| | | |
|---|---|---|
| Series B ordinary bearer shares | 111 | 111 |
| Series C ordinary bearer shares | 160 | 160 |
| Series D ordinary bearer shares | 48,320 | 48,320 |
| Series E ordinary bearer shares | 39,964 | 39,964 |
| Series F ordinary bearer shares | 4,444 | 4,444 |
| Series G ordinary bearer shares | 1,000 | 1,000 |
| Series H ordinary bearer shares | 23,000 | 23,000 |
| Series I ordinary bearer shares | 2,070 | 2,070 |
| Series J ordinary bearer shares | 11,550 | 11,550 |
| **Total** (thousands of shares) | **130,620** | **130,620** |
| Par value per share (PLN) | 0.10 | 0.10 |
| **Total par value** | **13,062** | **13,062** |

## *19.2 Equity*

| | **As at March 31st 2022** | **As at December 31st 2021** |
|---|---|---|
| Share capital issued | 13,062 | 13,062 |
| Share premium | 106,299 | 106,299 |
| Capital from issue of warrants | 2,103 | 2,103 |
| Translation reserve | (900) | (685) |
| Reserve funds from distribution of profit | 348,693 | 348,693 |
| Undistributed profit (loss) | 236,368 | 186,024 |
| **Total equity** | **705,625** | **655,496** |

## 20. Borrowings

| | **As at March 31st 2022** | **As at December 31st 2021** |
|---|---|---|
| **Unsecured – at amortised cost** | | |
| Borrowings from related entities | 28,119 | 28,035 |
| | **28,119** | **28,035** |
| **Secured – at amortised cost** | | |
| Overdraft facilities | 104,334 | 167,577 |
| Bank borrowings | 147,160 | 67,196 |
| Other borrowings | 12 | 16 |
| | **251,506** | **234,789** |
| **Total borrowings** | **279,625** | **262,824** |
| Current liabilities (viii) | 171,760 | 168,928 |
| Non-current liabilities | 107,865 | 93,896 |
| **Total borrowings** | **279,625** | **262,824** |

### Credit facility agreements and non-bank borrowings:

| | **As at March 31st 2022** | **As at December 31st 2021** |
|---|---|---|
| *floating interest rate:* | | |
| ING Bank Śląski S.A./working capital facility under multi-product facility agreement/sub-limit facility within multi-product facility limit (i) | 74,422 | 77,300 |
| ING Bank Śląski S.A./working capital facility /sub-limit facility within multi-product facility limit (i) | 97,061 | 67,196 |
| Santander Bank Polska S.A./working capital facility (ii) | - | 20,220 |
| Santander Bank Polska S.A./working capital facility (ii) | 25,000 | - |
| mBank S.A./working capital facility (iii) | 19,823 | 50,089 |

| | | |
|---|---:|---:|
| BNB Paribas Bank Polska S.A./working capital facility (vi) | 10,089 | 19,968 |
| BNB Paribas Bank Polska S.A./working capital facility (vii) | 25,099 | - |
| UniCredit Leasing a.s./facility to finance purchase of property, plant and equipment (v) | 12 | 16 |
| *fixed interest rate:* | | |
| Shareholder loan agreements (iv) | 28,119 | 28,035 |
| **Total** | **279,625** | **262,824** |

(i) Credit facility agreement – ING Bank Śląski S.A.

On October 19th 2015, the parent and ING Bank Śląski signed multi-facility agreement No. 882/2015/00000925/00, as amended. Maxgear Sp. z o.o. Sp.kom., a subsidiary, acceded to the agreement as joint and several debtor. The joint and several debtor agreed to pay all liabilities arising from the agreement. The amount of the credit limit is PLN 177,000 thousand, repayable by October 10th 2024. Within this limit, a sub-limit of PLN 40,000,000.00 was provided to the subsidiary. Security: (a) registered pledge over Auto Partner S.A.'s receivables from domestic customers (balance-sheet item) of up to PLN 270m, (b) registered pledge over inventories of merchandise (spare car parts) owned by Auto Partner S.A., located at ul. Ekonomiczna 20, in Bieruń, Poland, of up to PLN 270m, (c) assignment of rights under the insurance policy covering the pledged inventories, (d) declaration on voluntary submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure of up to PLN 270m, (e) declaration on voluntary submission to enforcement by Maxgear Sp. z o.o. Sp. z o.o. under Art. 777.1.5 of the Code of Civil Procedure of up to PLN 270m, (f) subordination of borrowings obtained from Katarzyna Górecka and Aleksander Górecki of up to PLN 26,700,000.00.

(ii) Credit facility agreement – Santander Bank Polska S.A.

On September 26th 2016, the parent and Bank Zachodni WBK S.A. signed multi-facility agreement No. K00922/16, as amended. The multi-facility amount is PLN 65,000,000.00 (through the addition of a new revolving credit facility sub-limit of PLN 25,000,000 to finance day-to-day operations), repayable by March 31st 2023. The facility is secured with: a) registered pledge over all inventories of merchandise stored at the warehouses specified in the pledge agreement or other locations approved by the Bank, with a minimum value of PLN 97,500,000.00; b) assignment of receivables to the Bank under the insurance policy covering the pledged assets; c) subordination of claims under a loan provided by Katarzyna Górecka and Aleksander Górecki of up to PLN 26,000,000.00; d) registered pledge over trade receivables from trading partners, as per the list attached as an appendix to the pledge agreement, with a minimum amount of PLN 12,000,000.00; e) declaration on voluntary submission to enforcement of the Bank's claims arising under the agreement, made under Art. 777.1 of the Code of Civil Procedure, to be submitted to the Bank.

(iii) Credit facility – mBank S.A.

On October 22nd 2019, the Company and mBank S.A. signed an overdraft facility agreement No. 11/145/19/Z/VV, as amended. The amount of the facility is PLN 50,000,000.00, repayable by September 30th 2022. The credit facility is secured with: (a) a registered pledge over inventories of merchandise with a value of PLN 75m, (b) assignment of rights under an inventory insurance contract for the pledged inventories, (c) declaration on submission to enforcement by the Company under Art. 777.1.5 of the Code of Civil Procedure, up to PLN 75m, (d) subordination of claims under the loans provided by Katarzyna Górecka and Aleksander Górecki of up to PLN 26,000,000.00.

(iv) Shareholder loan

On January 2nd 2014, the parent, Aleksander Górecki and Katarzyna Górecka signed a loan agreement, as amended, with the loan repayable by January 2nd 2024. The borrowing is not secured and bears interest at the rate of 5% per annum. The outstanding principal amount is PLN 26,700,000.00. The carrying amount of the loan as at March 31st 2022 included interest accrued for the period from January 1st 2022 to March 31st 2022 of PLN 334 thousand.

(v) Agreements for financing of property, plant and equipment – UniCredit Leasing a.s.

On June 21st 2019, agreement (No. 1132304215) was signed to finance property, plant and equipment, for a total amount of CZK 149,479.00, with the lease term of 48 months. The financing is secured with the lessor's security interest in the leased assets.

(vi) Credit facility agreement – BNP Paribas Bank Polska S.A.

On September 13th 2021, a multi-purpose facility agreement (subsequently amended) was signed with BNP Paribas Bank Polska S.A. of Warsaw. The Company was granted a multi-purpose facility, including an overdraft facility of up to PLN 30,000,000, to finance the day-to-day operations of Auto Partner S.A., repayable by September 12th 2023. Under the facility, a sub-limit of PLN

30,000,000 was provided to Maxgear Sp. z o.o. Sp.k. Security: 1) declaration by Auto Partner S.A. on voluntary submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure in respect of contractual payment obligations, for up to PLN 45,000,000.00, with the time limit for filing a request to issue an enforceability order, in substance acceptable to the Bank, set for September 12th 2034; 2) declaration by Maxgear Sp. z o.o. Sp. kom. on voluntary submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure in respect of contractual payment obligations, for up to PLN 30,000,000.00, with the time limit for filing a request to issue an enforceability order, in substance acceptable to the Bank, set for September 9th 2034; 3) registered pledge with the maximum security amount of PLN 45,000,000.00 over inventories of merchandise held by Auto Partner S.A. in its own and leased locations (not encumbered in favour of another pledgee), in accordance with a separate pledge agreement, with a total value of not less than PLN 36,000,000.00. Until the pledge is created, security in the form of assignment in favour of the Bank of the assets subject to the future pledge will remain in effect; 4) assignment of rights under an insurance policy in favour of the Bank in respect of the pledged assets, with the proviso that the sum insured may not be less than PLN 30,000,000.00; 5) agreement on subordination of the loan provided by Aleksander Górecki and Katarzyna Górecka under an agreement of January 2nd 2014 of up to PLN 26,000,000.00 to the facility.

(vii) Credit facility agreement – BNP Paribas Bank Polska S.A.

On January 24th 2022, the Company executed a revolving credit facility agreement with BNP Paribas Bank Polska S.A. of Warsaw. Under the agreement, a credit facility of PLN 25,000,000.00 (twenty-five million złoty) was advanced to finance the Company day-to-day operations, repayable by September 12th 2023. The credit facility is secured with: 1) a registered pledge with the maximum security amount of PLN 37,500,000.00 over inventories of the borrower's merchandise held at the borrower's branches, 2) the borrower's declaration on submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure in respect of the contractual payment obligations, for up to PLN 37,500,000.00, with the time limit for filing a request to issue an enforceability order, in substance acceptable to the Bank, set for January 30th 2023, 3) assignment of rights under an insurance contract for the pledged inventories in favour of the Bank, with the proviso that the sum insured may not be less than PLN 25,000,000.00, 4) an agreement on subordination of claims under the loans provided to the borrower by Katarzyna Górecka and Aleksander Górecki to the credit facility.

(viii) The Group discloses all overdraft facilities as current liabilities, regardless of the contract facility term.

## 21. Trade and other payables

### *21.1 Trade and other payables*

| | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| Trade payables due in up to 12 months | 158,389 | 90,431 |
| Taxes, customs duties, social security and other benefits payable | 7,770 | 2,764 |
| Liabilities arising from acquisition of property, plant and equipment and intangible assets | 3,598 | 1,458 |
| Other liabilities | 318 | 225 |
| | **170,075** | **94,878** |
| Current liabilities | 170,075 | 94,878 |
| **Total** | **170,075** | **94,878** |

The average payment period is 30-40 days. The Group operates a financial risk management policy that ensures timely payment of liabilities.

### *21.2 Contract and right-of-return liabilities*

| | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| Contract liabilities | 479 | 413 |
| Right-of-return liabilities (i) | 16,482 | 15,180 |

| | | |
|---|---|---|
| **Total** | **16,961** | **15,593** |

(i) Customers may freely return purchased goods within 14 days from the purchase date, provided that the goods do not bear any traces of use. Warranty replacements are governed by the applicable provisions of the Polish Civil Code. The Group estimated the value of future adjustments to sales to reflect returns by customers based on historical data on returns and the current period’s turnover. Contract liabilities are liabilities under contracts with customers.

## 22. Financial liabilities under lease contracts

Finance liabilities under lease contracts relate mainly to leases of property, plant and equipment (rent/lease of property, warehouse facilities, equipment, hardware and vehicles).

| Present value of lease liabilities | **As at March 31st 2022** | **As at December 31st 2021** |
|---|---|---|
| Current lease liabilities | 32,655 | 32,509 |
| Non-current lease liabilities | 69,318 | 72,610 |
| **Total** | **101,973** | **105,119** |

IFRS 16 provides for exceptions to the lessee's general lease model for short-term leases and leases of low-value assets. In such cases, the Group does not recognise any right-of-use assets or lease liabilities. Provided below are the amounts expensed:

| | **Period ended March 31st 2022** | **Period ended March 31st 2021** |
|---|---|---|
| Cost of short-term leases (i) | 2,322 | 1,915 |
| Cost of leases not disclosed due to the low value of underlying assets (ii) | 298 | 191 |
| **Total** | **2,620** | **2,106** |

(i) The Group applies a practical expedient to short-term leases in the case of property lease contracts made for an indefinite period which may be terminated on a short notice, that is up to 12 months, which do not involve any special space adaptation or material barriers to exit, i.e., penalties for early termination of the contract, and the Group has the practical ability to lease such space on the market. Costs of some of the lease contracts are also re-charged to the cooperating affiliates.

(ii) The Group applies a practical expedient to leases of low-value assets, mainly small office and other equipment, such as printers, payment terminals, waste containers, etc.

For disclosures relating to depreciation of property, plant and equipment and amortisation of right-of-use intangible assets, see Notes 13 and 14. For information on the amount of interest, see Note 12.

## 23. Employee benefit obligations and provisions

| | **As at March 31st 2022** | **As at December 31st 2021** |
|---|---|---|
| Salaries and wages payable | 8,332 | 7,465 |
| Social security and Employee Capital Plan obligations | 8,069 | 7,318 |
| Provision for accrued holiday entitlements (iii) | 4,785 | 3,368 |
| Provision for retirement and disability benefit obligations (iii) | 509 | 609 |
| Provision for obligations under the Incentive Scheme for 2020 (i) | - | - |
| Provision for obligations under the Incentive Scheme for 2021 (ii) | 2,160 | 2,160 |
| Obligation under the Incentive Scheme for 2020 (i) | 1,613 | 1,613 |

| | | |
|---|---|---|
| Obligation under the Incentive Scheme for 2019 (i) | 207 | 207 |
| | **25,675** | **22,740** |
| Long-term employee benefit obligations and provisions | 965 | 1,077 |
| Short-term employee benefit obligations and provisions | 24,710 | 21,663 |
| **Total** | **25,675** | **22,740** |

(i) On April 9th 2019, by Resolution No 14, the Supervisory Board adopted the Rules of the 2019–2021 Incentive Scheme for Members of the Management Board of Auto Partner S.A. The purpose of the Scheme is to establish an incentive mechanism that will ensure long-term growth of the shareholder value, reduce turnover of the Company's management staff, and introduce a mechanism whereby members of the Management Board would be rewarded for their contribution to the growth of the Company's value. The Incentive Scheme is addressed to members of the Management Board: Andrzej Manowski, Piotr Janta and Michał Breguła. However, the mandate of Michał Breguła expired on September 7th 2019, i.e., during the reference period. The total amount of bonuses to be paid in accordance with the Rules will not exceed PLN 5,360,000.00 during the term of the Scheme, i.e., from 2019 to 2021. The Supervisory Board of Auto Partner S.A. defined further details of the Incentive Scheme Rules for members of the Management Boards of Auto Partner S.A. by deciding that the bonuses to be paid to the eligible members of the Management Board are calculated on the basis of financial data without taking into account the effect of IFRS 16 Leases with regard to contracts that are classified as finance leases under IFRS 16 but were not treated as finance leases under IAS 17, i.e.,:

– depreciation adjusted for the amount of depreciation charge under contracts classified as finance leases under IFRS 16 since January 1st 2019, which were not classified as finance leases under IAS 17;

– lease liabilities adjusted for the amount of lease liabilities under contracts classified as finance leases under IFRS 16 since January 1st 2019, which were not classified as finance leases under IAS 17;

– EBIT adjusted for the effect of taking to profit or loss of the costs related to contracts classified as finance leases under IFRS 16 since January 1st 2019, which were not classified as finance leases under IAS 17.

On June 29th 2020, based on the Rules of the Incentive Scheme of April 9th 2019, Resolution No. 3 of the Supervisory Board of April 3rd 2020, the audited full-year consolidated financial statements of the Auto Partner Group for the financial year 2019 as approved by the Annual General Meeting on June 19th 2020, and the settlement of the business objectives set out in the Rules, the Supervisory Board decided to grant the following bonuses to the Scheme participants, i.e., Andrzej Manowski, Vice President of the Management Board, and Piotr Janta, Vice President of the Management Board:

Piotr Janta, Vice President of the Management Board – bonus of PLN 674,000, paid in the following instalments: PLN 472,000 in 2020; PLN 135,000 in 2021; PLN 67,000 in 2022; Andrzej Manowski, Vice President of the Management Board – bonus of PLN 674,000, paid in the following instalments: PLN 472,000 in 2020; PLN 135,000 in 2021; PLN 67,000.00 in 2022.

On May 28th 2021, the Supervisory Board of the Company – acting pursuant to Section 5 of the Remuneration Policy for members of the Management Board and Supervisory Board of Auto Partner S.A. adopted by the General Meeting on June 19th 2020, and pursuant to Section 5.3 of the Rules of the Incentive Scheme for members of the Auto Partner S.A. Management Board adopted by a resolution of the Supervisory Board on April 9th 2019 (the "Rules"), and based on the data contained in the audited consolidated financial statements of the Auto Partner Group for 2020 that were approved by the Annual General Meeting on May 27th 2021, and the verification of delivery of the business targets provided for in the Rules – decided to grant the following bonuses for 2020 to the Incentive Scheme participants Andrzej Manowski, Vice President of the Management Board, and Piotr Janta, Vice President of the Management Board: Piotr Janta, Vice President of the Management Board was granted a bonus of PLN 1,738,000, to be paid in accordance with the Rules in the following instalments: PLN 1,216,600 in 2021, PLN 347,600 in 2022, and PLN 173,800 in 2023; Andrzej Manowski, Vice President of the Management Board, was granted a bonus of PLN 1,738,000, to be paid in accordance with the Rules in the following instalments: PLN 1,216,600 in 2021, PLN 347,600 in 2022, and PLN 173,800 in 2023.

Acting pursuant to the Incentive Scheme Rules adopted by the General Meeting of Maxgear Sp. z o.o. on May 30th 2019, On May 28th 2021 the Annual General Meeting of Maxgear Sp. z o.o. granted bonuses to members of the company's Management Board covered by the Incentive Scheme for the performance in 2020.

(ii) On September 10th 2021, the parent's Supervisory Board passed a resolution to approve the rules of awarding an incentive bonus to members of the Management Board of Auto Partner S.A. for 2021. In connection with early delivery of the 2019–2021 targets set in the Rules of the Incentive Scheme of April 9th 2019, approved by Resolution No. 3 of the Company's Supervisory Board of April 3rd 2019, in order to ensure continuity of the incentive scheme for Members of the Management Board of Auto Partner S.A. in 2021, with the aim of the scheme being to establish mechanisms to encourage activities that will ensure long-term growth of the shareholder value, reduce turnover of the Company's management staff, and reward their contribution to the shareholder value growth, the Supervisory Board approved the 2021 terms and conditions for awarding an incentive bonus to Andrzej Manowski, Vice President of the Management Board, of Piotr Janta, Vice President of the Management Board, linked to the amount of consolidated net profit of the Auto Partner Group for the financial year 2021. The total amount of bonuses paid in accordance with the rules set out in the Supervisory Board's resolution will not exceed PLN 1,440,000 (one million, four hundred and forty thousand złoty).

On September 10th 2021, the General Meeting of Maxgear Sp. z o.o. passed a resolution to approve the rules of awarding an incentive bonus for 2021 to the following members of the Management Board of Maxgear Sp. z o.o.: Grzegorz Pal and Arkadiusz Cieplak. Its terms will be the same as those applying to members of the Auto Partner S.A. Management Board. The total amount of bonuses paid under the resolution of the General Meeting to members of the Management Board of Maxgear Sp. z o.o. will not exceed PLN 720,000 (seven hundred and twenty thousand).

(iii) The Group is obliged to pay retirement and disability severance benefits. Any employee who reaches the retirement age of 65 for men and 60 for women is entitled to a severance payment upon retirement. The amount of the severance benefit is one month's salary. An employee who has acquired disability pension entitlements under social security due to permanent incapacity to work has a right to a disability severance payment. The amount of the disability severance payment is one month's salary. Provisions for employee benefits are calculated by an actuary. The provision for retirement and disability severance benefits was calculated with the projected unit method. The amount of future obligations is calculated as the accrued portion of future benefits, taking into account the projected increase in remuneration serving as the basis for the computation of future benefits. The calculation also reflects the probability of acquiring the entitlement to a one-off disability or retirement severance payment. The amount of the obligation for accrued holiday entitlements was calculated as the remuneration due for unused accumulating paid absences.

The table below shows changes in provisions:

| | **Period ended March 31st 2022** | **Period ended March 31st 2021** |
|---|---|---|
| Provision for accrued holiday entitlements | (1,417) | (1,464) |
| Provision for retirement and disability benefit obligations | 100 | (180) |
| **Total** | **(1,317)** | **(1,644)** |

## 24. Financial instruments

| | **As at March 31st 2022** | **As at December 31st 2021** |
|---|---|---|
| ***Financial assets*** | | |
| Measured at fair value through profit or loss: | - | - |
| *Held for trading* | - | - |
| *Classified for measurement at fair value through profit or loss:* | - | - |
| Measured at amortised cost: | 257,708 | 224,001 |
| *Cash* | *35,951* | *16,936* |
| *Trade and other financial receivables* | *218,220* | *207,045* |
| *Loans* | *3,537* | *20* |
| Measured at fair value through other comprehensive income | - | - |
| | | |
| Financial receivables excluded from the scope of IFRS 9 – finance lease receivables | - | 5 |
| Financial receivables excluded from the scope of IFRS 9 – shares | 110 | 110 |
| | | |
| ***Financial liabilities*** | | |
| Measured at fair value through profit or loss: | - | - |
| *Held for trading* | - | - |
| *Classified for measurement at fair value through profit or loss:* | - | - |
| *Hedging derivatives* | - | - |
| Measured at amortised cost: | 442,091 | 355,126 |
| *Trade payables* | *158,389* | *90,431* |
| *Contract liabilities* | *479* | *413* |

| | | |
|---|---|---|
| *Liabilities arising from acquisition of property, plant and equipment and intangible assets* | *3,598* | *1,458* |
| *Borrowings* | *279,625* | *262,824* |
| Non-IFRS 9 financial liabilities – lease liabilities | 101,973 | 105,119 |

Fair value

The Group recognises derivative financial instruments for which changes in fair value are attributable to changes in market conditions (i.e., exchange rate movements) as financial assets and liabilities measured at fair value through profit or loss. In the reporting period ended December 31st 2021 and March 31st 2022, the Group did not enter into any currency forwards.

In the opinion of the Management Board, the carrying amounts of financial assets and liabilities disclosed in these financial statements approximate their fair values.

## 25. Related-party transactions

All transactions with related parties are made on an arm's length basis. Transactions between the parent and its related parties were eliminated on consolidation and are not presented in this note. Detailed information about transactions between the Group and other related parties is presented below.

*Transactions with entities with personal links to members of the Management Board and the Supervisory Board. Transactions with members of the management boards of subsidiaries.*

| **Sales of goods and services and other income** | **Period ended March 31st 2022** | **Period ended March 31st 2021** |
|---|---|---|
| entities related to members of the Management Board and the Supervisory Board | **5** | **33** |
| *including:* | | |
| *sales of goods* | *2* | *-* |
| *re-charge of costs* | *3* | *33* |
| members of management boards of subsidiaries | **4** | **5** |
| *including:* | | |
| *sales of goods* | *-* | *-* |
| *re-charge of costs* | *4* | *5* |
| **Total** | **9** | **38** |

| **Purchase of goods and services and other purchases** | **Period ended March 31st 2022** | **Period ended March 31st 2021** |
|---|---|---|
| entities related to members of the Management Board and the Supervisory Board | **431** | **331** |
| *including:* | | |
| *purchase of services* | *431* | *331* |
| members of management boards of subsidiaries | **58** | **58** |
| *including:* | | |
| *purchase of services* | *58* | *58* |
| **Total** | **489** | **389** |

| Receivables | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| entities related to members of the Management Board and the Supervisory Board | 2 | 5 |
| members of management boards of subsidiaries | 4 | 2 |
| **Total** | **6** | **7** |

| Liabilities | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| entities related to members of the Management Board and the Supervisory Board | 206 | - |
| members of management boards of subsidiaries | 7 | 7 |
| **Total** | **213** | **7** |

*Transactions with and remuneration of members of the Management Board and the Supervisory Board*

| Sales of goods and services and other income | Period ended March 31st 2022 | Period ended March 31st 2021 |
|---|---|---|
| Management Board members | **7** | **8** |
| *including:* | | |
| *re-charge of costs* | *7* | *8* |
| **Total** | **7** | **8** |

| Receivables | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| Management Board members | 86 | 217 |
| **Total** | **86** | **217** |

| Salaries | Period ended March 31st 2022 | Period ended March 31st 2021 |
|---|---|---|
| Management Board members | 183 | 141 |
| Members of management boards of subsidiaries | 60 | 60 |
| Supervisory Board | 32 | 30 |
| **Total** | **275** | **231** |

| Obligation under the Incentive Scheme | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| Management Board members (Note 23) | 1,177 | 1,177 |
| Members of management boards of subsidiaries (Note 23) | 643 | 643 |
| **Total** | **1,820** | **1,820** |

*Borrowings from members of the Management Board, Supervisory Board and shareholders.*

| Loans | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| Shareholder loan (Note 20) | 28,119 | 28,035 |
| **Total** | **28,119** | **28,035** |

| Finance costs | Period ended March 31st 2022 | Period ended March 31st 2021 |
|---|---|---|
| Interest expense recognised | (334) | (334) |
| **Total** | **(334)** | **(334)** |

## 26. Dividend

On March 28th 2022, the Management Board of the Company passed a resolution to request the Annual General Meeting (“AGM”) to pay dividend for the financial year 2021. Pursuant to the resolution, the Management Board recommended payment to the Company’s shareholders of dividend of PLN 19,593,000 (nineteen million, five hundred and ninety-three thousand złoty), i.e., PLN 0.15 (fifteen grosz) per share. At the meeting held on April 11th 2022, the Supervisory Board gave a favourable opinion on the Management Board’s recommendation.

The recommendation will be presented to the AGM convened for May 31st 2022. In the draft resolution of the AGM on allocation of net profit for the financial year 2021, the dividend record date is set for June 8th 2022 and the dividend payment date for June 22nd 2022.

The AGM will make a final decision on payment of dividend to the Company’s shareholders and setting the dates specified above.

## 27. Contingent liabilities, future contract liabilities, sureties provided and received, and contingent assets

*Bank guarantees:*

– PLN 42 thousand bank guarantee No. KLG57699IN19 of March 1st 2019, provided in connection with commercial property lease contract of February 15th 2019, valid until May 6th 2024, granted within credit limit of the facility provided by ING Bank Śląski S.A.; see Note 20

– PLN 2,000 thousand bank guarantee No. DOK3617GWB19KW of October 18th 2019, provided in connection with a distribution agreement (as amended), valid until December 31st 2022, granted within credit limit of the facility provided by ING Bank Śląski S.A.; see Note 20

– PLN 652 thousand bank guarantee No. DOK2419GWB20AR of July 27th 2020, provided in connection with a contract for rent of property in Bieruń, valid until August 31st 2023, granted within credit limit of the facility provided by ING Bank Śląski S.A.; see Note 20

– PLN 190 thousand bank guarantee No. DOK2418GWB20TI of July 27th 2020, provided in connection with a contract for rent of property in Pruszków, valid until August 31st 2023, granted within credit limit of the facility provided by Santander Bank Polska S.A.; see Note 20.

- EUR 213 thousand bank guarantee No. DOK4042GWB21KW of October 13th 2021, provided in connection with a contract for rent of property in Poznań, valid until June 29th 2025, granted within credit limit of the facility provided by Santander Bank Polska S.A.; see Note 20.

– PLN 650 thousand bank guarantee No. DOK1141GWB22WS of March 25th 2022, provided in connection with a contract for rent of property in Mysłowice, valid until August 31st 2022, granted within credit limit of the facility provided by Santander Bank Polska S.A.; see Note 20.

– PLN 68 thousand bank guarantee No. DOK1330GWB22KW of April 12th 2022, provided in connection with a contract for rent of property in Tychy, valid until March 31st 2025, granted within credit limit of the facility provided by Santander Bank Polska S.A.; see Note 20.

*Insurance policies*

The Group took out insurance of its merchandise against theft, burglary and robbery, as well as insurance against fire and other natural calamities. If any of the insured risks materialises, the Group will receive relevant compensation from the insurer.

The Group took out insurance against the credit risk of some of its domestic and foreign customers. Under the policy, the Group is entitled to compensation for insured and unpaid receivables.

*Tax liabilities*

The tax regulations in force in Poland are subject to frequent changes, causing significant differences in their interpretation and significant doubts in their application. The tax authorities have control instruments enabling them to verify the tax bases (in most cases for the preceding five financial years) and to impose penalties and fines. As of July 15th 2016, the Tax Code also contains the General Anti-Abuse Clause (GAAR), which is intended to prevent the creation and use of artificial legal structures designed to avoid taxation. The GAAR should be applied both to transactions carried out after its entry into force and to transactions which were carried out before the entry into force of the GAAR but whose benefits have been or are still being realised after the date of its entry into force. Consequently, the determination of tax liabilities may require significant judgement, including with respect to transactions that have already taken place, and the amounts of tax expense presented and disclosed in the financial statements may change in the future as a result of audits by the tax authorities. Tax authorities have the right to carry out inspections within five years of the end of a year in which a tax return is submitted, and to impose additional tax liabilities, including interest and penalties. The Group was subject to inspections by tax authorities. In the Management Board's opinion, there were no circumstances which could lead to material liabilities being imposed as a consequence of such inspections.

*Undisclosed liabilities under contracts*

The Group entered into contracts which will be classified as leases under IFRS 16, however the liabilities under the contracts are not disclosed as at the reporting date due to the failure to make the leased assets available for use by the Group by March 31st 2022. Assets covered by the contracts include a storage racking system, vehicles, hardware and property lease. As at March 31st 2022, the present value of future lease liabilities under the contracts was PLN 69,152 thousand:

## 28. Components of cash and reconciliation of cash to the statement of cash flows

| | **As at March 31st 2022** | **As at December 31st 2021** |
|---|---:|---:|
| Cash in hand | 1,020 | 1,318 |
| Cash at banks | 30,468 | 12,977 |
| Cash in transit | 4,463 | 2,641 |
| **Total cash and cash equivalents in the statement of financial position** | **35,951** | **16,936** |
| Effect of exchange rate movements on net cash in foreign currencies | 88 | (155) |
| **Total cash and cash equivalents in the statement of cash flows** | **36,039** | **17,091** |
| *including restricted cash - Split Payment accounts* | *2949* | *865* |

## 29. Events subsequent to the reporting date

No significant events were identified after the reporting date.

## 30. Authorisation for issue

These interim condensed consolidated financial statements of the Group were authorised for issue by the Management Board on May 24th 2022.

# II. Quarterly financial information of Auto Partner S.A.

## Interim separate statement of comprehensive income

| | Note | for the 3 months ended | |
|---|---|---|---|
| | | March 31st 2022 | March 31st 2021 |
| | | (unaudited) | (unaudited) |
| **STATEMENT OF PROFIT OR LOSS** | | | |
| Revenue | | 640,043 | 476,477 |
| Cost of sales | | (457,122) | (351,043) |
| **Gross profit (loss)** | | **182,921** | **125,434** |
| Distribution costs and marketing expenses | | (70,663) | (48,303) |
| Warehousing (logistics) costs | | (43,436) | (27,249) |
| Management and administrative expenses | | (6,481) | (4,914) |
| Other gains (losses), net | | 257 | (1,688) |
| Other income | | 95 | 108 |
| Other expenses | | (231) | (66) |
| **Operating profit (loss)** | | **62,462** | **43,322** |
| Finance income | | 3,389 | 2,833 |
| Finance costs | | (3,886) | (1,944) |
| **Profit (loss) before tax** | | **61,965** | **44,211** |
| Income tax | | (11,396) | (7,966) |
| **NET PROFIT (LOSS)** | | **50,569** | **36,245** |
| **OTHER COMPREHENSIVE INCOME** | | | |
| Other comprehensive income, net | | - | - |
| **Other comprehensive income that will be reclassified to profit or loss** | | - | - |
| **TOTAL COMPREHENSIVE INCOME** | | **50,569** | **36,245** |
| **Earnings (loss) per share** (PLN per share) | | | |
| From continuing operations: | | | |
| Basic | | 0.39 | 0.28 |
| Diluted | | 0.39 | 0.28 |

# Interim separate statement of financial position

| | Note | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|---|
| | | (unaudited) | |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Intangible assets | | 21,938 | 20,559 |
| Property, plant and equipment | | 172,260 | 166,997 |
| Investments in related entities | | 30,448 | 30,448 |
| Investments in other entities | | 110 | 110 |
| Other long-term receivables | | 3,847 | 3,555 |
| Other non-current financial assets | | 1,514 | 1,459 |
| **Total non-current assets** | | **230,117** | **223,128** |
| **Current assets** | | | |
| Inventories | | 754,446 | 647,280 |
| Right-of-return assets | | 12,155 | 10,859 |
| Trade and other receivables | | 275,200 | 250,249 |
| Other financial assets | | 3,527 | 4 |
| Cash and cash equivalents | | 30,469 | 13,922 |
| **Total current assets** | | **1,075,797** | **922,314** |
| **Total assets** | | **1,305,914** | **1,145,442** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital issued | | 13,062 | 13,062 |
| Share premium | | 106,299 | 106,299 |
| Other capital reserves | | 2,103 | 2,103 |
| Retained earnings | | 605,449 | 554,880 |
| **Total equity** | | **726,913** | **676,344** |
| **Non-current liabilities** | | | |
| Long-term borrowings | | 107,865 | 93,896 |
| Lease liabilities | | 68,053 | 71,275 |
| Employee benefit obligations and provisions | | 775 | 887 |
| Deferred tax liability | | 5,210 | 14,944 |
| **Total non-current liabilities** | | **181,903** | **181,002** |
| **Current liabilities** | | | |
| Trade and other payables | | 153,916 | 69,385 |
| Contract and right-of-return liabilities | | 16,961 | 15,593 |
| Short-term borrowings | | 123,579 | 116,882 |
| Lease liabilities | | 32,422 | 32,331 |
| Current tax liability | | 39,262 | 23,724 |
| Employee benefit obligations and provisions | | 23,382 | 20,335 |
| Short-term provisions | | 7,576 | 9,846 |
| **Total current liabilities** | | **397,098** | **288,096** |
| **Total liabilities** | | **579,001** | **469,098** |
| **Total equity and liabilities** | | **1,305,914** | **1,145,442** |

# Interim separate statement of cash flows

| *indirect method* | | for the 3 months ended | |
|---|---|---|---|
| | Note | March 31st 2022 | March 31st 2021 |
| | | (unaudited) | (unaudited) |
| **Cash flows from operating activities** | | | |
| **Profit before tax** | | **61,965** | **44,211** |
| **Adjustments:** | | | |
| Depreciation and amortisation | | 7,302 | 6,066 |
| Foreign exchange gains/losses | | 388 | 265 |
| Adjustments for gains/losses on investing activities | | (34) | 52 |
| Finance costs recognised in profit or loss | | 3,378 | 1,664 |
| Finance income recognised in profit or loss | | (45) | (8) |
| Other adjustments | | - | (3) |
| Change in inventories | | (107,166) | (154,671) |
| Change in right-of-return assets | | (1,296) | (1,740) |
| Gains on share in profit or loss of related entities | | (3,266) | (2,758) |
| Change in trade and other receivables | | (22,514) | (44,308) |
| Change in trade and other payables | | 82,386 | 146,112 |
| Change in contract and right-of-return liabilities | | 1,368 | 2,313 |
| Change in employee benefit obligations and provisions | | 665 | 1,645 |
| **Cash from operating activities** | | **23,131** | **(1,160)** |
| Income tax paid | | (5,592) | (3,946) |
| **Net cash from operating activities** | | **17,539** | **(5,106)** |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment and intangible assets | | (7,428) | (3,205) |
| Disposal of property, plant and equipment and intangible assets | | 33 | 61 |
| Loans | | (3,399) | (2,384) |
| Repayment of loans | | 1 | - |
| Receipts from lease | | 57 | 70 |
| Interest received | | 3 | 9 |
| **Net cash from investing activities** | | **(10,733)** | **(5,449)** |
| **Cash flows from financing activities** | | | |
| Dividend paid | | - | - |
| Borrowings received | | 20,696 | 25,779 |
| Borrowings repaid | | - | - |
| Payment of lease liabilities | | (7,659) | (6,647) |
| Interest and commissions paid | | (3,128) | (1,287) |
| Other cash used in financing activities – corporate surety | | (125) | (96) |
| Other cash provided by financing activities – corporate surety | | 45 | 8 |
| **Net cash from financing activities** | | **9,829** | **17,757** |
| **Total net cash flows** | | **16,635** | **7,202** |
| Cash and cash equivalents at beginning of period | | 13,922 | 12,961 |
| Effect of exchange rate movements on net cash in foreign currencies | | (88) | (38) |
| **Cash and cash equivalents at end of period** | | **30,557** | **20,163** |

## Interim separate statement of changes in equity

| | Share capital issued | Capital from issue of warrants | Share premium | Retained earnings | Total equity |
|---|---|---|---|---|---|
| **As at December 31st 2020** | **13,062** | **2,103** | **106,299** | **381,881** | **503,345** |
| Net profit for period | | | | 36,245 | **36,245** |
| **Total comprehensive income** | **-** | **-** | **-** | **36,245** | **36,245** |
| **Balance as at March 31st 2021** (unaudited) | **13,062** | **2,103** | **106,299** | **418,126** | **539,590** |
| | | | | | |
| **As at December 31st 2021** | **13,062** | **2,103** | **106,299** | **554,880** | **676,344** |
| Net profit for period | | | | 50,569 | **50,569** |
| **Total comprehensive income** | **-** | **-** | **-** | **50,569** | **50,569** |
| **Balance as at March 31st 2022** (unaudited) | **13,062** | **2,103** | **106,299** | **605,449** | **726,913** |

## 1. Accounting policies – statement of compliance and basis of preparation

These interim condensed separate financial statements ("financial statements") of the Company for the nine months from January 1st to March 31st 2022 and for the corresponding period of the previous year have been prepared in accordance with IAS 34 Interim Financial Reporting and all accounting standards applicable to interim financial reporting adopted by the European Union, issued and effective as at March 31st 2022.

These interim condensed separate financial statements should be read in conjunction with the interim condensed consolidated financial statements of the Group to obtain a full understanding of the Company's performance and financial position.

Pursuant to the Regulation of the Minister of Finance of March 29th 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (the "Regulation"), in its quarterly consolidated report the Company includes quarterly financial information containing the information required under Par. 66.1-4, first sentence of Par. 66.5, Par. 66.8.13 and Par. 66.9 of the Regulation.

The accounting policies applied in the preparation of these separate financial statements are consistent with the policies applied in the preparation of the full-year separate financial statements for the financial year ended December 31st 2021.

These interim condensed separate financial statements should be read in conjunction with the audited full-year separate financial statements for the year ended December 31st 2021 prepared in accordance with IFRS.

These interim condensed separate financial statements have been prepared on a going concern basis. As at the date of authorisation of these financial statements, there were no circumstances indicating any threat to the Group's ability to continue as a going concern.

All amounts in these interim condensed financial statements are presented in PLN thousands, unless indicated otherwise.

These interim separate financial statements of the Company were authorised by the Management Board on May 24th 2022.

## 2. Significant assessments and estimates

The preparation of financial statements in accordance with IFRS requires the Management Board of the Company to use judgements and estimates which affect the applied accounting policies and the amounts of reported assets, liabilities, income and expenses. Judgements and estimates are reviewed on an ongoing basis. A change in estimates is recognised in profit or loss for the period in which the change occurred. During the reporting period, there were no material changes in judgements and estimates.

## 3. Change of accounting policies and presentation

### *3.1. Changes in accounting policies*

The Company did not change its accounting policies in the reporting period.

### *3.2. Presentation changes*

The Company did not make any presentation changes in the reporting period.

## 4. Transactions with subsidiaries

Below are presented transactions with subsidiaries. All transactions are made on an arm's length basis.

| **Sales of goods and services and other income** | **Period ended March 31st 2022** | **Period ended March 31st 2021** |
|---|---|---|
| **Maxgear Sp. z o.o. Sp. komandytowa** | **1,473** | **1,138** |
| *including:* | | |
| *sales of goods* | - | *7* |
| *sales of services* | 1,272 | *958* |
| *re-charge of costs* | 201 | *173* |
| **AP Auto Partner CZ s.r.o.** | **4,854** | **4,147** |
| *including:* | | |
| *sales of goods* | *4,811* | *4,110* |
| *sales of services* | *37* | *29* |
| *re-charge of costs* | *6* | *8* |
| **Total** | **6,327** | **5,285** |

| **Finance income** | **Period ended March 31st 2022** | **Period ended March 31st 2021** |
|---|---|---|
| **Maxgear Sp. z o.o. Sp. komandytowa** | **3,311** | **2,766** |
| *including:* | | |
| *share of profit* | *3,266* | *2,758* |
| *corporate surety* | *45* | *8* |
| **AP Auto Partner CZ s.r.o.** | **18** | **20** |
| *including:* | | |
| *interest on loan advanced* | *15* | *14* |
| *interest on finance lease* | *3* | *6* |
| **Total** | **3,329** | **2,786** |

| Finance costs | Period ended March 31st 2022 | Period ended March 31st 2021 |
|---|---|---|
| **Maxgear Sp. z o.o. Sp. komandytowa** | **(130)** | **(96)** |
| *including:* | | |
| *corporate surety* | *(130)* | *(96)* |
| **Total** | **(130)** | **(96)** |

| Purchase of goods and other purchases | Period ended March 31st 2022 | Period ended March 31st 2021 |
|---|---|---|
| **Maxgear Sp. z o.o. Sp. komandytowa** | **142,001** | **104,898** |
| *including:* | | |
| *purchase of goods* | *142,001* | *104,898* |
| **Total** | **142,001** | **104,898** |

| Receivables | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| **Maxgear Sp. z o.o. Sp. komandytowa** | **13,998** | **10,845** |
| *including:* | | |
| *trade receivables* | *1,556* | *1,669* |
| *share of profit receivables* | *12,442* | *9,176* |
| **AP Auto Partner CZ s.r.o.** | **14,282** | **12,946** |
| *including:* | | |
| *trade receivables* | *12,613* | *11,280* |
| *finance lease receivables* | *158* | *212* |
| *loan receivables* | *1,511* | *1454* |
| **Total** | **28,280** | **23,791** |

| Liabilities | As at March 31st 2022 | As at December 31st 2021 |
|---|---|---|
| **Maxgear Sp. z o.o. Sp. komandytowa** | **34,419** | **1,416** |
| *including:* | | |
| *trade payables* | *34,419* | *1,416* |
| **Total** | **34,419** | **1,416** |

# III. Key supplementary information to the consolidated quarterly report

## 1. The Company and the Group

### Overview of the Group

The Group operates under the name of Auto Partner (the "Group"), with Auto Partner S.A. of Bieruń (the "Company") as the parent. Basic information on the parent is presented below:

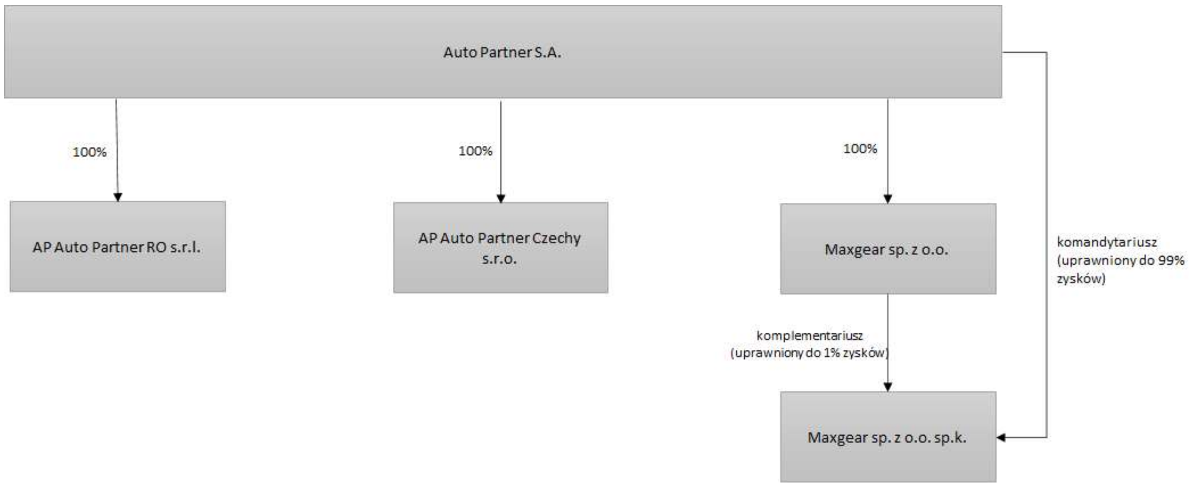
| | |
|---|---|
| Registered office: | Bieruń |
| Legal form: | joint stock company |
| Country of incorporation: | Poland |
| Address: | ul. Ekonomiczna 20, 43-150 Bieruń |
| Tel./Fax: | +48 32,325 15 00 / +48 32,325 15 20 |
| Email: | kontakt@autopartner.com |
| Website: | www.autopartner.com |

As at March 31st 2022, in addition to the Parent, the Group included the following subsidiaries: Maxgear Spółka z ograniczoną odpowiedzialnością of Tychy (wholly-owned by the Parent), Maxgear Spółka z ograniczoną odpowiedzialnością spółka komandytowa of Bieruń (the Parent is a limited partner in the company, entitled to 99% of its profits), AP Auto Partner CZ s.r.o. of Prague, the Czech Republic (wholly-owned by the Parent), and AP Auto Partner RO s.r.l of Timisoara, Romania (wholly-owned by the Parent).

The companies are consolidated in the Group's financial statements on a full basis.

Apart from conducting its business involving the sale of automotive parts and accessories, the Company, as the parent, acts as the holding company in the Group and coordinates the operation of its subsidiaries and creation of a uniform trading, marketing, investment and credit policy for the Group.

The chart below presents the structure of the Group as at the reporting date, including all of the Company's subsidiaries.




*Source: the Group.*

### Material subsidiaries of Auto Partner S.A.

**Maxgear sp. z o.o.**

Maxgear sp. z o.o., with its registered office at ul. Bałuckiego 4, 43-100 Tychy, Poland, is entered in the Register of Businesses at the National Court Register under No. 0000279190. The company's share capital amounts to PLN 50,000.00 and is divided into 100 shares with a par value of PLN 500 per share. The company is wholly owned by the parent, holding 100% of its shares and the right to exercise all voting rights at its General Meeting.

Maxgear sp. z o.o. is a general partner in Maxgear sp. z o.o. sp.k., which it represents and whose operations it manages. Maxgear sp. z o.o. does not carry out any operating activities. The Group's strategy provides for further brand value building. In this model, Maxgear sp. z o.o. is to continue as an entity representing Maxgear sp. z o.o. sp.k. and managing its operations.

**Maxgear sp. z o.o. sp.k.**

Maxgear sp. z o.o. sp.k., with its registered office at ul. Ekonomiczna 20, 43-150 Bieruń, is entered in the Register of Businesses at the National Court Register under No. 0000332893. Its general partner is Maxgear sp. z o.o. The Company is its limited partner, with the limited partner's contribution amount of PLN 20,000 and a 99% share in the company's profits. The right to the remaining 1% of profits is held by Maxgear sp. z o.o.

The company's business involves purchasing goods which are then sold by the Group under the Maxgear brand. Most of the goods are imported from Asia and then resold to the Company for further distribution.

**AP Auto Partner CZ s.r.o.**

AP Auto Partner CZ s.r.o., with its registered office in Prague, the Czech Republic, is incorporated under the Czech law and is responsible for the Group's operations in the Czech market. AP Auto Partner CZ s.r.o. is wholly owned by the Company, which holds the right to exercise all voting rights at its General Meeting. AP Auto Partner CZ s.r.o. is engaged in sales in the Czech market through a warehouse in Prague.

**AP Auto Partner RO s.r.l.**

AP Auto Partner RO s.r.l., with its registered office in Timisoara, Romania, is incorporated under the Romanian law and is to be responsible for the Group's operations in the Romanian market. AP Auto Partner RO s.r.l. is wholly owned by the Company, which holds the right to exercise all voting rights at its General Meeting. The Group intends to use the company as a platform for expansion of its warehouse facilities and sales in this market.

## 2. Rules of preparation of consolidated quarterly report

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and all accounting standards applicable to interim financial reporting adopted by the European Union, issued and effective as at March 31st 2022. Pursuant to the Regulation of the Minister of Finance of March 29th 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (the "Regulation"), in its quarterly consolidated report the Company also includes quarterly financial information containing the information required under Par. 66.1-4, first sentence of Par. 66.5, Par. 66.8.13 and Par. 66.9 of the Regulation.

## 3. Key events with a material bearing on operations and financial performance in the first quarter of 2022

- On January 10th 2022, the Issuer entered into an agreement with Global One Automotive GmbH of Frankfurt whereby it advanced a EUR 750 thousand loan to Global One. The loan bears interest at 4.5%. The agreement was concluded for a definite term until June 30th 2022. The Company holds 6.25% of shares in Global One Automotive GmbH as a participant in the International Purchasing Group (since 2017).
- On January 24th 2022, the Company executed a revolving credit facility agreement with BNP Paribas Bank Polska S.A. of Warsaw. Under the agreement, the Company was granted a revolving credit facility of PLN 25,000,000.
- On January 29th 2022, the Company executed an amendment to the multi-facility agreement with Santander Bank Polska Spółka Akcyjna of Warsaw of September 26th 2016. Under the amendment, the multi-facility limit was increased from PLN 40,000,000 up to a maximum amount of PLN 65,000,000 by adding a new revolving facility sub-limit of PLN 25,000,000 to finance the Company's day-to-day operations.

- On March 2nd 2022, the Company executed an amendment to the reverse factoring agreement of March 29th 2019 with Santander Factoring Sp. z o.o. The amendment extended the effective term of the agreement for the following year, i.e., until March 31st 2023, and amended the definition of the base rate for debt in USD.
- On March 15th 2022, the Company executed an amendment to the multi-purpose facility agreement of September 13th 2021 with BNP Paribas Bank Polska S.A. Under the amendment, the multi-purpose facility limit (including an overdraft facility) was increased up to a maximum amount of PLN 30,000,000 to finance Auto Partner S.A.'s day-to-day operations.
- On March 28th 2022, the Management Board of the Company passed a resolution to propose to the Annual General Meeting a dividend payment from profit for the financial year 2021. Pursuant to the resolution, the Management Board recommended payment to the Company's shareholders of dividend of PLN 19,593,000 (nineteen million, five hundred and ninety-three thousand złoty), i.e., PLN 0.15 (fifteen grosz) per share. At the meeting held on April 11th 2022, the Supervisory Board gave a favourable opinion on the Management Board's recommendation. The final decision will be made by the Annual General Meeting called for May 31st 2022.
- On March 29th 2022, the Company executed an amendment to the multi-product facility agreement of October 19th 2015 with ING Bank Śląski S.A. of Katowice. The amendment increased the amount of the multi-product limit to PLN 177,000,000. Proceeds of the facility will be used to finance the Company's working capital in connection with continued fast growth of Auto Partner S.A.

In addition, in the first quarter of 2022:

- The pricing policy aimed at maintaining a higher gross margin than before the coronavirus pandemic was continued;
- Debt was maintained at a relatively low level (net debt to EBITDA ratio of 1.1).

## 4. Assessment of factors and non-recurring events with a bearing on operating results

In the reporting period, there were no non-recurring events with a bearing on operating results.

As for the declared state of the coronavirus pandemic and its consequences, in the first quarter of 2022 the Group did not identify any impediments to its business or any direct impact on its financial performance.

Neither did the Group identify any impact of the war in Ukraine on its operations in the first quarter of 2022. The exposure of the Company and its subsidiaries to the Ukrainian market is negligible, accounting for less than 0.5% of the monthly revenue currently generated. The effect of the situation in Ukraine on the Group's operations in the reporting period was therefore neutral.

## 5. Changes in the Parent's and the Group's key management policies

In the reporting period, there were no changes in the organisation of the Group, including changes that would result from a business combination, acquisition or loss of control of a subsidiary or a long-term investment, a demerger, restructuring or discontinuation of business activities.

## 6. Management Board' position on the feasibility of published forecasts

The Management Board did not publish any forecasts of the Company's or the Group's results for 2022.

## 7. Shareholders holding 5% or more of total voting rights in the Company

From the issue date of the separate and consolidated full-year financial statements for 2021 (April 12th 2022) to the issue date of this Report (May 24th 2022), the following changes occurred in the ownership of major holdings of Company shares:

On April 19th 2022, the Company received a notification, given under Art. 69.1.2 of the Public Offering Act by the Company's shareholders Aleksander Górecki and Katarzyna Górecka, of change in the holding of Company shares resulting in a change in total voting rights held at the Company's General Meeting.

Aleksander Górecki and Katarzyna Górecka notified the Company of the sale of a total of 3,000,000 Company shares in order to meet institutional investors' demand as part of an accelerated bookbuild launched on April 14th 2022.

Prior to the sale, they held a total of 64,944,258 Company shares, representing 49.72% of the Company's share capital and conferring the right to 64,944,258 votes, representing 49.72% of total voting rights.

According to the notification, following the transaction described above they hold a total of 61,944,258 Company shares, representing 47.42% of the Company's share capital and conferring the right to 61,944,258 votes, representing 47.42% of total voting rights, including:

- Aleksander Górecki notified the Company that following the sale of 1,500,000 shares he holds 28,383,577 shares in the Company, representing 21.73% of the Company's share capital and conferring the right to 28,383,577 votes, representing 21.73% of total voting rights – prior to the sale

he held 29,883,577 shares in the Company, representing 22.88% of the Company's share capital and conferring the right to 29,883,577 votes, representing 22.88% of total voting rights.

- Ms Katarzyna Górecka notified the Company that following the sale of 1,500,000 shares she holds 33,560,681 shares in the Company, representing 25.69% of the Company's share capital and conferring the right to 33,560,681 votes, representing 25.69% of total voting rights – prior to the sale

she held 35,060,681 shares in the Company, representing 26.84% of the Company's share capital and conferring the right to 35,060,681 votes, representing 26.84% of total voting rights.

On May 20th 2022, the Company received a notification, given under Art. 69.1.1 of the Public Offering Act by Nationale - Nederlanden Powszechne Towarzystwo Emerytalne S.A., of change in the number of Company shares held (through the funds under its management), resulting in a change in total voting rights held at the Company's General Meeting.

Prior to the transaction, the funds under the management of Nationale - Nederlanden Powszechne Towarzystwo Emerytalne S.A. held a total of 13,052,403 Company shares, representing 9.99% of the Company's share capital and conferring the right to 13,052,403 votes, representing 9.99% of total voting rights.

According to the notification, following the transaction described above Nationale - Nederlanden Powszechne Towarzystwo Emerytalne S.A. currently holds (through the funds under its management) a total of 13,062,403 Company shares, representing 10.0003% of the Company's share capital and conferring the right to 13,062,403 votes, currently representing 10.0003% of total voting rights.

To the Company's best knowledge, the shareholders holding 5% or more of total voting rights as at May 24th 2022, i.e., the issue date of this Report, were as follows:

| Shareholder | Number of shares held | Number of votes at GM | Ownership interest (%) | Percentage of total voting rights held |
|---|---|---|---|---|
| **Katarzyna Górecka** | 33,560,681 | 33,560,681 | 25.69% | 25.69% |
| **Aleksander Górecki** | 28,383,577 | 28,383,577 | 21.73% | 21.73% |
| **Nationale Nederlanden Powszechne Towarzystwo Emerytalne S.A.*** | 13,062,403 | 13,062,403 | 10.0003% | 10.0003% |
| **Otwarty Fundusz Emerytalny Złota Jesień (OFE PZU)** | 8,617,124 | 8,617,124 | over 5%** | over 5%** |
| **AEGON Otwarty Fundusz Emerytalny** | 6,700,000 | 6,700,000 | over 5%*** | over 5%*** |

* Nationale - Nederlanden Powszechne Towarzystwo Emerytalne S.A., through the following funds under its management: Nationale-Nederlanden Otwarty Fundusz Emerytalny, Nationale- Nederlanden Dobrowolny Fundusz Emerytalny, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2025, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2030, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2035, Nationale- Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2040, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2045, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2050, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2055, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2060 and Nationale- Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2065.

** In the most recent notification, received by the Company on April 10th 2017, Otwarty Fundusz Emerytalny Złota Jesień (OFE PZU) reported that it held 8,617,124 Company shares, which, according to the Company's calculations based on the current share capital amount, currently represent 6.622% of total voting rights.

*** In the most recent notification, received by the Company on June 7th 2016, AEGON Otwarty Fundusz Emerytalny reported that it held 6,700,000 Company shares, which, according to the Company's calculations based on the current share capital amount, currently represent 5.148% of total voting rights.

## 8. Total number and par value of Company shares and shares in the Company's related entities held by the Company's management and supervisory staff (for each person separately)

To the Company's best knowledge, in the period from the issue of the separate and consolidated full-year report for 2021 (April 12th 2022) to the issue date of this Report (May 24th 2022), the following changes occurred in the holdings of Company shares held by the Company's management and supervisory staff:

On April 19th 2022, the Company received a notification, given under Article 19(1) of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16th 2014 on market abuse (MAR) by Aleksander Górecki, President of the Management Board, of the sale of 1,500,000 Company shares on April 14th 2022.

The table below presents holdings of members of the Management Board and the Supervisory Board as at issue date of this Report.

| Full name | Position | Number of Company shares held | Par value of the shares (PLN) |
|---|---|---|---|
| Aleksander Górecki | President of the Management Board | 28,383,577 | 2,838,357.70 |
| Andrzej Manowski | Vice President of the Management Board | 375,000 | 37,500.00 |
| Piotr Janta | Vice President of the Management Board | 210,000 | 21,000 ,00 |
| Jarosław Plisz | Chairperson of the Supervisory Board | 20 | 2.00 |
| | **total:** | **30,468,597** | |

*Source: the Group.*

## 9. Material court, arbitration and administrative proceedings

No material proceedings are currently pending in relation to any liabilities or claims of the Company or any of its subsidiaries.

## 10. Related-party transactions executed by the Company or its subsidiaries on non-arm's length terms

The Group companies enter into related-party transactions exclusively on an arm's length basis. For detailed information on related-party transactions, see Note 25 to the condensed interim consolidated financial statements and Part II of the report, containing financial information of Auto Partner S.A. in Note 4.

## 11. Significant sureties and guarantees (received and issued), including in particular sureties and guarantees issued to and received from related entities

The Company and its subsidiaries did not issue any sureties for borrowings or any guarantees to a single entity or such entity's subsidiary where the total amount of outstanding sureties or guarantees would be significant.

## 12. Business of the Auto Partner Group

### Overview of key products, goods and services

The Group is a specialised logistics operator whose principal business activity consists in the organisation of distribution of vehicle spare parts directly from manufacturers to end users. It imports and distributes parts for passenger cars and delivery vehicles in the market for spare parts classified in accordance with the GVO regulations and European Union directives. The Group operates as a platform for sale, mainly via electronic channels, and supply logistics of spare parts, which are delivered on a just-in-time basis to distributed customers: repair workshops and stores.

The Group offers a wide range of spare parts. The key product category is spare parts for European, Japanese and Korean cars.

The Group sells branded products supplied by over 200 manufacturers of reputable brands, including MEYLE, TRW, ZF Schaeffler or KYB. Currently, the Group's offer includes:

- Accessories
- Shock absorbers and springs
- Filters
- Lines, wires, bands
- Automotive oils and chemicals

- Drive belts and rollers
- Cooling system, air conditioning
- Electrical systems
- Braking systems
- Drivetrain systems
- Fuel systems
- Suspension and steering systems
- Exhaust systems
- Seals and engine parts
- Wipers
- Equipment for repair workshops

## Overview of the Group's geographical markets

The first quarter of 2022 was the first reporting period in the Group's history in which the export market became the Group's largest market. The Group executes export sales mainly through deliveries directly from the central warehouse and the hub in Pruszków. The Group currently supplies customers in Germany, Austria, the Czech Republic, Slovakia, Hungary, Romania, Slovenia, Croatia, Serbia, Bosnia and Herzegovina, Lithuania, Latvia, Estonia, the Netherlands, Belgium, Luxemburg, Denmark, Finland, France and Italy.

Revenue structure by domestic and export sales:

| | Period ended March 31st | | | |
|---|---|---|---|---|
| | 2022 | | 2021 | |
| | PLN '000 | share [%] | PLN '000 | share [%] |
| Sales of merchandise – Poland | 318,804 | 49.8% | 261,587 | 55.0% |
| Sales of merchandise – EU | 316,959 | 49.6% | 211,183 | 44.4% |
| Sales of merchandise – other exports | 3,208 | 0.5% | 2,437 | 0.5% |
| Sales of services – Poland | 163 | 0.0% | 120 | 0.0% |
| Sales of services – EU | 437 | 0.1% | 362 | 0.1% |
| **Total** | **639,571** | **100%** | **475,689** | **100.0%** |

*Source: the Group, condensed interim consolidated financial statements*

## Projected development of the Group

All companies of the Auto Partner Group pursue a common and uniform growth strategy. The Group's strategy is to ensure sustainable growth of the shareholder value by further expanding the scale of its business, increasing the market share, and strengthening the market position, while focusing on business process efficiency in order to achieve attractive margins.

The Management Board has defined four main strategic objectives for the Group:

1. growth of the business scale,
2. further product diversification,
3. further increase in profitability,
4. expansion into new markets.

## 13. Current and anticipated financial condition and description of the Company's and the Group's significant achievements and failures

### Financial situation in the first quarter of 2022

In the first quarter of 2022, the Group's revenue rose by 34.5% year on year. The increase was driven to a greater extent by higher foreign sales (+49.8%), although in Poland the growth rate was also high (+21.9%).

Gross margin maintained the positive trend observed in the previous quarters and was significantly higher than in the corresponding period of the previous year (29.6% vs 27.6%), despite further increase in the share of export sales with lower gross margin, but also lower operating expenses.

The operating margin was slightly higher year on year (10.4% vs 10.2%). Its growth was driven by the above-mentioned strong increase in gross margin, but there is also seen a clear impact of rising inflation on costs.

It should also be remembered that the year-on-year comparative baseline is low for operating expenses (and thus high for EBIT) due to the effect (of PLN 7.5m, being the sum of two tranches received in the first quarter of 2021) of grants received from the Provincial Labour Office of Katowice to subsidise the remuneration for employees not covered by any furlough, economic downtime or reduced amount of working time due to the decline in turnover caused by the COVID-19 pandemic. The grants were received under Art. 15gg of the Act on special arrangements to prevent, counteract and combat covid-19, other infectious diseases and crisis situations caused by them, dated March 2nd 2020 (Dz.U. of 2020, item 374, as amended).

Gross and net margins were maintained at previous year's levels despite significantly higher interest expense due to growing market interest rates.

As a result of the above factors, in the first quarter of 2021 the Group reported a net profit of PLN 50.3m (PLN 37.8m in the corresponding period of the previous year), up by 33.3% year on year.

### Financial metrics

In its day-to-day operations the Group uses profitability metrics, efficiency metrics, debt ratios and liquidity ratios. The metrics, presented below, are alternative performance measures (APMs). The Company believes that they provide material information on the Group's financial position, operating efficiency, profitability and cash flows. The APMs should be viewed as additional information and analysed in conjunction with the Group's consolidated financial statements, as they facilitate an analysis and assessment of the Group's financial results in each reporting period. They also provide useful information about the Group's financial position and, in the Company's opinion, enable an optimum assessment of the financial results achieved by the Group.

The metrics were calculated in accordance with the formulas presented below.

### Profitability metrics

The tables below present the Group's profitability metrics for the periods indicated.

| | For period ended Mar 31 consolidated financial statements | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| | PLN '000 | PLN '000 | PLN '000 |
| EBITDA (PLN '000)[1] | 73,988 | 54,705 | 24,656 |
| Gross margin (%)[2] | 29.6 | 27.6 | 26.2 |
| EBITDA margin (%)[3] | 11.6 | 11.5 | 6.6 |
| EBIT margin (%)[4] | 10.4 | 10.2 | 5.1 |
| Pre-tax profit margin (%)[5] | 9.8 | 9.8 | 4.2 |
| Net profit margin (%)[6] | 7.9 | 7.9 | 3.4 |

*Source: the Group.*

*(1) The Group defines and calculates EBITDA as operating profit (loss) before depreciation and amortisation.*
*(2) Gross margin is defined as the ratio of gross profit (loss) for the reporting period to revenue for the period.*

*(3) EBITDA margin is defined as the ratio of EBITDA for the reporting period to revenue for the period.*
*(4) EBIT margin is defined as the ratio of operating profit (loss) for the reporting period to revenue for the period.*
*(5) Pre-tax profit margin is defined as the ratio of pre-tax profit for the reporting period to revenue for the period.*
*(6) Net profit margin is defined as the ratio of net profit for the period to revenue for the period.*

| | For period ended Mar 31 consolidated financial statements | | For year consolidated financial statements | |
|---|---|---|---|---|
| | 2022 | 2021 | 2021 | 2020 |
| | PLN '000 | PLN '000 | PLN '000 | PLN '000 |
| ROE (%)[7] | 30.0 | 30.5 | 32.7 | 26.0 |
| ROA (%)[8] | 16.0 | 17.5 | 18.7 | 14.4 |

*Source: the Group.*

*(1) The Group defines and calculates ROE as the ratio of net profit for the period to average equity (calculated as the arithmetic mean of equity as at the end of the previous period and as at the end of the reporting period).*
*(2) The Group defines and calculates ROA as the ratio of net profit for the period to average assets (calculated as the arithmetic mean of total assets as at the end of the previous period and as at the end of the reporting period).*

## Efficiency metrics

The table below presents the Group's efficiency metrics for the periods indicated.

| | As at consolidated financial statements | | | |
|---|---|---|---|---|
| | Mar 31 2022 | Mar 31 2021 | Dec 31 2021 | Dec 31 2020 |
| | days | days | days | days |
| Inventory turnover period (days)[1] | 159 | 144 | 141 | 147 |
| Average collection period (days)[2] | 36 | 29 | 30 | 27 |
| Average payment period (days)[3] | 30 | 41 | 24 | 30 |
| Cash conversion cycle[4] | 165 | 132 | 147 | 144 |

*Source: the Group.*

*(1) The Group defines and calculates the inventory turnover period as the ratio of average sum of inventories and right-of-return assets (calculated as the arithmetic mean of the balance as at the end of the previous period and as at the end of the reporting period) to cost of sales in the period, multiplied by the number of days in the period.*
*(2) The Group defines and calculates the average collection period as the ratio of average trade and other receivables (calculated as the arithmetic mean of trade and other receivables as at the end of the previous period and as at the end of the reporting period) to revenue in the period, multiplied by the number of days in the period.*
*(3) The Group defines and calculates the average payment period as the ratio of average trade and other payables and right-of-return liabilities (calculated as the arithmetic mean of trade and other payables as at the end of the previous period and as at the end of the reporting period) to cost of sales in the period, multiplied by the number of days in the period.*
**(4)** *The Group defines and calculates the cash conversion cycle as the sum of the inventory turnover period and average collection period less average payment period.*

## Debt ratios

The table below presents the Group's debt ratios.

| | As at consolidated financial statements | | | |
|---|---|---|---|---|
| | Mar 31 2022 | Mar 31 2021 | Dec 31 2021 | Dec 31 2020 |
| | PLN ’000 | PLN ’000 | PLN ’000 | PLN ’000 |
| Total debt ratio (%)[1] | 47.7 | 46.0 | 45.5 | 38.9 |
| Long-term debt ratio (%)[2] | 13.3 | 8.6 | 15.0 | 11.5 |
| Short-term debt ratio (%)[3] | 34.3 | 37.4 | 30.5 | 27.4 |
| Equity-to-debt ratio (%)[4] | 109.7 | 117.5 | 119.8 | 157.3 |

*Source: the Group.*

(1) *The Group defines and calculates the total debt ratio as the ratio of total liabilities as at the reporting date to total assets as at the reporting date.*
(2) *The Group defines and calculates the long-term debt ratio as the ratio of non-current liabilities as at the reporting date to total assets as at the reporting date.*
(3) *The Group defines and calculates the short-term debt ratio as the ratio of current liabilities as at the reporting date to total assets as at the reporting date.*
(4) *The Group defines and calculates the equity-to-debt ratio as equity as at the reporting date to total liabilities as at the reporting date.*

## Liquidity ratios

The table below presents the Group's liquidity ratios.

| | As at consolidated financial statements | | |
|---|---|---|---|
| | Mar 31 2022 | Dec 31 2021 | Dec 31 2020 |
| | PLN ’000 | PLN ’000 | PLN ’000 |
| Current ratio[1] | 2.48 | 2.75 | 2.97 |
| Quick ratio[2] | 0.66 | 0.70 | 0.70 |
| Cash ratio[3] | 0.09 | 0.05 | 0.10 |

*Source: the Group.*

(1) *The Group defines and calculates the current ratio as the ratio of current assets as at the reporting date to current liabilities as at the reporting date.*
(2) *The Group defines and calculates the quick ratio as the ratio of total current assets less inventories and right-of-return assets as at the reporting date to current liabilities as at the reporting date.*
(3) *The Group defines and calculates the cash ratio as the ratio of cash and cash equivalents plus current financial assets as at the reporting date to current liabilities as at the reporting date.*

### Workforce

The Group's workforce is as follows:

| | As at<br>Mar 31 2022 | As at<br>Dec 31 2021 |
|---|---|---|
| Number of employees | 2212 | 2142 |

*Source: the Group.*

## 14. Factors that, in the Company's opinion, will have an impact on the Group's results in the next quarter or in and beyond the next quarter

The following factors will have an impact on the Group's performance in the future periods:

- Establishment of a new logistics and warehousing centre in Poznań, contemplated establishment of another logistics and warehousing centre, planned expansion of storage space in Bieruń.
- Rules of the 2022–2024 Incentive Scheme for members of the Management Board of Auto Partner S.A. for 2021 were approved by a resolution of the Supervisory Board of the Company on September 10th 2021, providing for the payment of additional remuneration for the appointment to the Company's Management Board, linked to the Company's financial performance. The Scheme is intended for the following members of the Company's Management Board: Andrzej Manowski and Piotr Janta; the purpose of the Scheme is to establish mechanisms to encourage activities that would ensure long-term growth of the shareholder value, reduce turnover of the Company's management staff, and reward their contribution to the shareholder value growth. For detailed rules of awarding the incentive bonus, visit the Company's website https://ir.autopartner.com/lad-korporacyjny/#polityka-wynagrodzen.The total amount of bonuses paid in accordance with the rules set out in the Rules will not exceed PLN 8,000,000 (eight million) during the entire term of the scheme.
- Adoption by the General Meeting of Maxgear sp. z o.o., on January 10th 2022, of the Rules of the Incentive Scheme for 2022-2024 for members of the Maxgear sp. z o.o. Management Board: Grzegorz Pal and Arkadiusz Cieplak, on the same terms as those provided for in the Rules of the Incentive Scheme for members of the Auto Partner S.A. Management Board. The bonuses to be paid under the Rules of the Incentive Scheme for members of the Maxgear Sp. z o.o. Management Board will not exceed PLN 4,000,000 during the whole term of the Scheme.

## 15. Other information relevant to the assessment of the Group's workforce, assets, financial position and profit or loss as well as the Group's ability to meet its obligations

- Execution, on January 10th 2022, of an agreement with Global One Automotive GmbH of Frankfurt whereby it advanced a EUR 750 thousand loan to Global One. The loan bears interest at 4.5%. The agreement was concluded for a definite term until June 30th 2022. The Company holds 6.25% of shares in Global One Automotive GmbH as a participant in the International Purchasing Group (since 2017).
- Adoption, on March 28th 2022, by the Management Board of the Company of a resolution to propose to the Annual General Meeting a dividend payment from profit for the financial year 2021. Pursuant to the resolution, the Management Board recommended payment to the Company's shareholders of dividend of PLN 19,593,000 (nineteen million, five hundred and ninety-three thousand złoty), i.e., PLN 0.15 (fifteen grosz) per share. At the meeting held on April 11th 2022, the Supervisory Board gave a favourable opinion on the Management Board's recommendation. The final decision will be made by the Annual General Meeting on May 31st 2022.
- Implementation of the rules of awarding an incentive bonus to members of the Management Board of Auto Partner S.A. for 2021, approved by the Company's Supervisory Board on September 10th 2021. In connection with early delivery of the 2019–2021 targets set in the Rules of the Incentive Scheme of April 9th 2019, approved by Resolution No. 3 of the Company's Supervisory Board of April 3rd 2019, in order to ensure continuity of the incentive system for members of the Management Board of Auto Partner S.A. in 2021, with the aim of the scheme being to establish mechanisms to encourage activities that will ensure long-term growth of the shareholder value, reduce turnover of the Company's management staff, and reward their contribution to the shareholder value growth, the Supervisory Board approved the 2021 terms and conditions for awarding an incentive bonus to Andrzej Manowski, Vice President of the Management Board, of Piotr Janta, Vice President of the Management Board, linked to the amount of consolidated net profit of the Auto Partner Group for the financial year 2021. The total amount of bonuses paid in accordance with the rules set out in the Supervisory Board's resolution will not exceed PLN 1,440,000 (one million, four hundred and forty thousand złoty).
- Implementation of the rules, approved by the General Meeting of Maxgear Sp. z o.o. on September 10th 2021, of awarding an incentive bonus to members of the Management Board of Maxgear Sp. z o.o.: Grzegorz Pal and Arkadiusz Cieplak, being the same as those applying to members of the Auto Partner S.A. Management Board. The

total amount of bonuses paid under the resolution of the General Meeting to members of the Management Board of Maxgear Sp. z o.o. will not exceed PLN 720,000 (seven hundred and twenty thousand).

Impact of the political and economic situation in Ukraine on the Company's and its Group's business:

Following the Russian invasion of Ukraine launched on February 24th 2022, the Management Board assessed the impact of this event on its operations, business continuity, financial condition and going concern assumption. The Group's exposure to the Ukrainian market is negligible, accounting for less than 0.5% of its monthly revenue. To manifest solidarity with Ukraine, the Group suspended its business on the Russian and Belarusian markets, closed all its representative offices and discontinued the export of aftermarket parts to both Russia and Belarus. The Group's exports to the Russian and Belarusian markets account for 0.1% and 0.02%, respectively, of its monthly revenue. However, the Management Board notes that the event's impact on the overall economic situation may require revision of certain assumptions and estimates in the future. This, in turn, may necessitate significant adjustments to the carrying amounts of certain assets and liabilities in the next financial year. At present, given the continuing high uncertainty about how the situation will develop, the Management Board is not able to reliably estimate its impact on the Group's performance. The situation is highly unpredictable and therefore the current expectations may change in the coming quarters. In the long term, the situation may also affect the Group's trading volumes, cash flows and profitability. As at the issue date of this Report, the situation in Ukraine did not have a material impact, whether direct or indirect, on the Company's and its Group's operations, business continuity or financial condition. Moreover, the Management Board identified no threat to the Group's ability to continue as a going concern. The Management Board is monitoring the situation to the extent it could potentially affect the Group's business in future periods.

Selection of the audit firm to audit and review the financial statements

In connection with the expiry of the term of the agreement with the auditor Deloitte Audyt Spółka z ograniczoną odpowiedzialnością Sp.k. of Warsaw, the Supervisory Board, acting pursuant to Art. 21.1.i) of the Company's Articles of Association and Section 12 of the procedure for selecting an audit firm to audit the statutory financial statements of Auto Partner S.A. and the Auto Partner Group, having regard to the recommendation of the Audit Committee contained in Resolution No. 2 of April 11th 2022, passed Resolution No. 4 to appoint PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. of Warsaw, ul. Polna 11 (00-633), Poland, entered in the National Court Register maintained by the District Court for the Capital City of Warsaw, under No. KRS 0000750050, Tax Identification Number NIP 526-021-02-28, as an entity qualified to:

- review the condensed separate financial statements of Auto Partner S.A. for the first half of 2022, 2023 and 2024, prepared in accordance with International Financial Reporting Standards (IFRS);
- review the condensed consolidated financial statements of the Auto Partner Group for the first half of 2022, 2023 and 2024, prepared in accordance with International Financial Reporting Standards (IFRS);
- audit the separate financial statements of Auto Partner S.A. for 2022, 2023 and 2024, prepared in accordance with International Financial Reporting Standards (IFRS);
- audit the consolidated financial statements of the Auto Partner Group for 2022, 2023 and 2024, prepared in accordance with International Financial Reporting Standards (IFRS).

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. of Warsaw is entered in the list of qualified auditors of financial statements, maintained by the National Chamber of Statutory Auditors, under Reg. No. 144.

**Signatures of Management Board Members**

Aleksander Górecki – President of the Management Board

Andrzej Manowski – Vice President of the Management Board

Piotr Janta – Vice President of the Management Board

**Signature of the person responsible for accounting records**

Kamila Obłodecka Pieńkosz – Chief Accountant