
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 2023



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This document (“Consolidated quarterly report of the Auto Partner Group for Q1 2023”) contains the 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 2023	March 31st 2022
STATEMENT OF PROFIT OR LOSS		(unaudited)	(unaudited)
Revenue from contracts with customers	7	836,645	639,571
Cost of sales	8	(615,871)	(450,401)
Gross profit		220,774	189,170
Distribution costs and marketing expenses	8	(96,064)	(71,707)
Warehousing costs	8	(55,556)	(43,756)
Management and administrative expenses	8	(10,979)	(8,320)
Other gains (losses), net	9	3,983	1,364
Other income		35	99
Other expenses		(195)	(250)
Operating profit		61,998	66,600
Finance income	10	118	61
Finance costs	11	(8,795)	(4,205)
Profit before tax		53,321	62,456
Income tax	12	(10,302)	(12,112)
Net profit		43,019	50,344
OTHER COMPREHENSIVE INCOME			
Exchange differences on translation of foreign operations		(154)	(214)
Other comprehensive income that will be reclassified to profit or loss		(154)	(214)
Other comprehensive income, net		(154)	(214)
TOTAL COMPREHENSIVE INCOME		42,865	50,130
Net profit attributable to:			
Owners of the parent		43,019	50,344
Total comprehensive income attributable to:			
Owners of the parent		42,865	50,130
Earnings per share (PLN per share)			
From continuing operations:			
Basic		0.33	0.39
Diluted		0.33	0.39

Interim consolidated statement of financial position

	Note	As at March 31st 2023	As at December 31st 2022	As at March 31st 2022
ASSETS		(unaudited)		(unaudited)
Non-current assets				
Intangible assets	14	29,036	27,043	21,939
Property, plant and equipment	13	255,430	251,080	174,515
Investments in other entities	15	110	110	110
Other long-term receivables	18	4,223	4,299	3,931
Other non-current financial assets	16	-	-	3
Deferred tax assets		2,178	2,158	461
Total non-current assets		290,977	284,690	200,959
Current assets				
Inventories	17.1	948,192	955,730	827,688
Contract asset	17.2	16,544	13,584	12,155
Trade and other receivables	18	283,503	281,343	268,387
Other financial assets	16	3,551	4	3,534
Current tax assets		209	-	-
Cash and cash equivalents		53,043	34,931	35,951
Total current assets		1,305,042	1,285,592	1,147,715
Total assets		1,596,019	1,570,282	1,348,674
EQUITY AND LIABILITIES				
Equity				
Share capital issued	19	13,062	13,062	13,062
Share premium		106,299	106,299	106,299
Other components of equity		917	1,071	1,203
Retained earnings		765,411	722,392	585,061
Equity attributable to owners of the parent		885,689	842,824	705,625
Total equity		885,689	842,824	705,625
Non-current liabilities				
Long-term borrowings	20	97,000	138,700	107,865
Lease liabilities	22	110,787	112,595	69,318
Employee benefit obligations and provisions	23	2,835	2,661	965
Deferred tax liability		3,867	15,440	1,833
Total non-current liabilities		214,489	269,396	179,981
Current liabilities				
Trade and other payables	21.1	220,084	130,215	170,075
Contract liabilities	21.2	23,105	19,311	16,961
Short-term borrowings	20	136,160	210,616	171,760
Lease liabilities	22	40,717	39,021	32,655
Current tax liability		31,818	19,475	39,331
Employee benefit obligations and provisions	23	36,517	32,572	24,710
Short-term provisions		7,440	6,852	7,576
Total current liabilities		495,841	458,062	463,068
Total liabilities		710,330	727,458	643,049
Total equity and liabilities		1,596,019	1,570,282	1,348,674

Interim consolidated statement of cash flows

<i>indirect method</i>	Note	for the 3 months ended	
		March 31st 2023	March 31st 2022
Cash flows from operating activities		(unaudited)	(unaudited)
Profit before tax		53,321	62,456
Adjustments:			
Depreciation and amortisation		9,976	7,388
Foreign exchange gains/losses		(321)	240
Adjustments for gains/losses on sale of non-current assets		30	(16)
Other adjustments with cash flows from financing or investing activities		(41)	-
Finance costs recognised in profit or loss		8,720	3,668
Change in inventories		7,538	(89,182)
Change in contract asset		(2,960)	(1,296)
Change in trade and other receivables		(2,038)	(27,630)
Change in trade and other payables		88,766	73,058
Change in contract liabilities		3,794	1,368
Change in employee benefit obligations and provisions		4,707	665
Cash from operating activities		171,492	30,719
Income tax paid		(9,761)	(6,414)
Net cash from operating activities		161,731	24,305
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(5,377)	(7,428)
Disposal of property, plant and equipment and intangible assets		85	33
Loans		(3,537)	(3,399)
Repayment of loans		1	6
Receipts from lease		-	3
Interest received		-	-
Net cash from investing activities		(8,828)	(10,785)
Cash flows from financing activities			
Dividend paid		-	-
Borrowings repaid		(115,028)	-
Borrowings received		-	16,830
Payment of lease liabilities		(10,407)	(7,700)
Interest and commissions paid		(9,306)	(3,547)
Net cash from financing activities		(134,741)	5,583
Total net cash flows		18,162	19,103
Cash and cash equivalents at beginning of period		34,931	16,936
Effect of exchange rate movements on net cash in foreign currencies		(50)	(88)
Cash and cash equivalents at end of period		53,043	35,951

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 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
Dividend paid				-		-
As at March 31st 2022 (unaudited)	13,062	2,103	106,299	585,061	(900)	705,625
As at December 31st 2021	13,062	2,103	106,299	534,717	(685)	655,496
Net profit for period				207,268		207,268
Other comprehensive income for period, net					(347)	(347)
Total comprehensive income				207,268	(347)	206,921
Dividend paid				(19,593)		(19,593)
As at December 31st 2022	13,062	2,103	106,299	722,392	(1,032)	842,824
Net profit for period				43,019		43,019
Other comprehensive income for period, net					(154)	(154)
Total comprehensive income				43,019	(154)	42,865
Dividend paid				-		-
As at March 31st 2023 (unaudited)	13,062	2,103	106,299	765,411	(1,186)	885,689

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,

Tomasz Werbiński – Member of the Management Board.

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

Jarosław Plisz – Chair of the Supervisory Board,

Bogumił Woźny – Deputy Chair 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.

Listing venue

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

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 2023	As at December 31st 2022
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 accounting

These unaudited interim condensed consolidated financial statements (“financial statements”) of the Group for the period January 1st 2023 to March 31st 2023 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 2023.

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 2022.

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 2022 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. 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 2023:

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 new 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. The new standard will substantially change the accounting practices of all entities that deal with insurance contracts and investment agreements. However, the scope of the standard is not limited to insurance companies only, and contracts concluded by entities other than insurance companies may also include a component that meets the definition of an insurance contract (as defined in IFRS 17).

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 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 Deferred Tax

The amendments to IAS 12 clarify how to account for deferred tax on transactions such as leases and decommissioning obligations. Prior to the amendment, there was uncertainty as to whether the recognition of equal amounts of assets and liabilities for accounting purposes (e.g., initial recognition of leases) which does not affect current tax settlements necessitates the recognition of deferred taxes or whether the initial recognition exemption, according to which deferred taxes are not recognised if the recognition of an asset or liability does not affect profit or loss at the time of recognition, applies. The amended IAS 12 deals with this matter by requiring the recognition of deferred tax in the above situation, introducing an additional provision stating that the initial recognition exemption does not apply if the entity simultaneously recognises the asset and the equivalent liability and each of them gives rise to temporary differences. The amendments are effective for financial statements for periods beginning on or after January 1st 2023.

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 IFRS 17 only – it does not affect any other requirements of IFRS 17.

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

Standards and interpretations which have been released but are not effective as they have not yet been endorsed by the European Union or which have been endorsed by the European Union but have not been previously applied by the Group are presented in the consolidated financial statements for the period January 1st–December 31st 2022. In the first quarter 2023, no new amendments or interpretations to accounting standards were issued or endorsed by the European Union.

4. 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.

5. 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.

6. Functional and reporting currency

These consolidated financial statements have been prepared in the Polish zloty (PLN). The Polish zloty 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 zloty, 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 quoted for:	March 31st 2023	December 31st 2022
CZK	0.1987	0.1942
RON	0.9445	0.9475

items of the statement of 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:

Average NBP mid rate for reporting period	3 months 2023	3 months 2022
CZK	0.1987	0.1888
RON	0.9532	0.9393

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

7. Revenue from contracts with customers

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 2023	Period ended March 31st 2022
Revenue from sale of merchandise	836,171	638,971
including:		
Sales of merchandise – Poland	405,513	318,804

Sales of merchandise – EU	420,644	316,959
Sales of merchandise – other exports	10,014	3,208
Revenue from rendering of services	474	600
including:		
Sales of services – Poland	202	163
Sales of services – EU	272	437
Total revenue from contracts with customers	836,645	639,571

8. Costs by nature and function of expense

	Period ended March 31st 2023	Period ended March 31st 2022
Depreciation and amortisation	(9,976)	(7,388)
Raw materials and consumables used	(8,308)	(6,638)
Services	(85,249)	(66,767)
Taxes and charges	(1,194)	(928)
Employee benefits expense	(55,633)	(41,149)
Other costs by nature of expense	(2,240)	(914)
Merchandise and materials sold	(615,870)	(450,400)
Total costs by nature of expense	(778,470)	(574,184)
Cost of sales	(615,871)	(450,401)
Distribution costs and marketing expenses	(96,064)	(71,707)
Warehousing costs	(55,556)	(43,756)
Management and administrative expenses	(10,979)	(8,320)
Total costs by function of expense	(778,470)	(574,184)

9. Other net gains (losses)

	Period ended March 31st 2023	Period ended March 31st 2022
Foreign exchange gains or losses on operating activities – unrealised	1,220	1,006
Foreign exchange gains or losses on operating activities – realised	2,663	996
Gains/losses on impairment of receivables	(70)	(638)
Other	170	-
Other gains (losses) net	3,983	1,364

10. Finance income

	Period ended March 31st 2023	Period ended March 31st 2022
Interest on loans	41	34
Interest on trade receivables	47	25
Other finance income	30	2
Total finance income	118	61

11. Finance costs

	Period ended March 31st 2023	Period ended March 31st 2022
Interest expense:		
Interest on term and overdraft facilities	(5,585)	(2,288)
Interest on non-bank borrowings from related entities	(620)	(334)
Interest on lease liabilities (other leases)	(1,538)	(573)
Interest on lease liabilities (office and warehouse space leases)	(792)	(252)
Other interest expense	(49)	(1)
	<u>(8,584)</u>	<u>(3,448)</u>
Other finance costs:		
Foreign exchange gains (losses) on financing activities	(20)	(529)
Credit commissions and fees	(181)	(196)
Factoring commissions and fees	(3)	(25)
Other finance costs	(7)	(7)
	<u>(211)</u>	<u>(757)</u>
Total finance costs	(8,795)	(4,205)

12. Income tax

	Period ended March 31st 2023	Period ended March 31st 2022
Profit before tax	53,321	62,456
Income tax at 19%	(10,131)	(11,867)
Differences	(171)	(245)
Total income tax disclosed in the statement of comprehensive income	(10,302)	(12,112)
including:		
Current income tax:		
For current year	(21,895)	(22,242)
For previous years	-	-
	<u>(21,895)</u>	<u>(22,242)</u>
Deferred income tax:		
For current year	11,593	10,130
	<u>11,593</u>	<u>10,130</u>
	(10,302)	(12,112)
Profit before tax	53,321	62,456
Income tax	10,302	12,112
Effective tax rate	19.32%	19.39%

Current tax assets and liabilities

	As at March 31st 2023	As at December 31st 2022
Current tax assets	209	-
Current tax liability	31,818	19,475

13. Property, plant and equipment

	As at March 31st 2023	As at December 31st 2022
-		
Buildings and structures	75,430	72,383
Machinery and equipment	109,704	86,125
Vehicles	13,872	13,712
Other	47,529	47,470
Property, plant and equipment under construction	8,895	31,390
Total carrying amount of property, plant and equipment	255,430	251,080

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 2023	As at December 31st 2022
-		
Buildings and structures	72,345	68,769
Machinery and equipment	69,525	46,774
Vehicles	9,407	9,255
Other	22,754	24,032
Property, plant and equipment under construction (i)	-	22,893
Total carrying amount of property, plant and equipment under right-of-use arrangements	174,031	171,723

	Period ended March 31st 2023	Period ended March 31st 2022
-		
Buildings and structures	4,510	3,341
Machinery and equipment	1,795	1,307
Vehicles	366	299
Other	334	345
Total depreciation of property, plant and equipment under right-of-use arrangements	7,005	5,292

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.

(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 2021	84,253	73,256	21,430	56,051	21,200	256,190
Increase						
Purchase	1,424	17,192	154	3,729	6,161	28,660
Accounting for property, plant and equipment under construction – purchase	17	724	-	450	(1,191)	-
Leases	37,818	13,867	3,997	4,485	23,215	83,382
Accounting for property, plant and equipment under construction – leases	-	17,995	-	-	(17,995)	-
Other	-	-	4	-	-	4
Decrease						
Disposal	-	(54)	(557)	(141)	-	(752)
Retirement	-	(5)	(107)	-	-	(112)

Other	(5)	(69)	(16)	(3)	-	(93)
Gross carrying amount as at December 31st 2022	123,507	122,906	24,905	64,571	31,390	367,279
Increase						
Purchase	186	1,065	74	701	1,417	3,443
Accounting for property, plant and equipment under construction – purchase	111	885	-	23	(1,019)	-
Leases	7,398	2,112	693	-	-	10,203
Accounting for property, plant and equipment under construction – leases	-	22,602	-	291	(22,893)	-
Other	-	-	-	-	-	-
Decrease						
Disposal	-	(3)	(218)	-	-	(221)
Retirement	(90)	-	-	(29)	-	(119)
Other	-	-	(57)	-	-	(57)
Gross carrying amount as at March 31st 2023	131,112	149,567	25,397	65,557	8,895	380,528
Accumulated depreciation as at December 31st 2021	35,451	27,816	9,781	13,805	-	86,853
Depreciation in period	15,673	9,009	1,908	3,370	-	29,960
Disposal	-	(47)	(426)	(74)	-	(547)
Retirement	-	(3)	(54)	-	-	(57)
Other	-	6	(16)	-	-	(10)
Accumulated depreciation as at December 31st 2022	51,124	36,781	11,193	17,101	-	116,199
Depreciation in period	4,648	3,085	513	934	-	9,180
Disposal	-	(3)	(149)	-	-	(152)
Retirement	(90)	-	-	(7)	-	(97)
Other	-	-	(32)	-	-	(32)
Accumulated depreciation as at March 31st 2023	55,682	39,863	11,525	18,028	-	125,098
Net carrying amount as at December 31st 2022	72,383	86,125	13,712	47,470	31,390	251,080
Net carrying amount as at March 31st 2023	75,430	109,704	13,872	47,529	8,895	255,430

14. Intangible assets

	As at March 31st 2023	As at December 31st 2022
-		
Software	16,513	14,154
Intangible assets under development	12,523	12,889
Total carrying amount of intangible assets	29,036	27,043

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 2023	As at December 31st 2022
-		
Software	3,226	3,347
Total carrying amount of right-of-use intangible assets	3,226	3,347
	Period ended March 31st 2023	Period ended March 31st 2022
-		
Software	121	127
Total amortisation of right-of-use intangible assets	121	127

Movements in intangible assets	Software	Other intangible assets	Intangible assets under development	Total
Gross carrying amount as at December 31st 2021	25,145	343	10,429	35,917
Increase				
Purchase	2,255	-	6,870	9,125
Accounting for intangible assets under development – purchase	4,410	-	(4,410)	-
Leases	251	-	-	251
Gross carrying amount as at December 31st 2022	32,061	343	12,889	45,293
Increase				
Purchase	402	-	2,387	2,789
Accounting for intangible assets under development – purchase	2,754	-	(2,754)	-
Leases	-	-	-	-
Gross carrying amount as at March 31st 2023	35,217	343	12,522	48,082
Accumulated amortisation as at December 31st 2021	15,013	343	-	15,356
Amortisation in period	2,889	-	-	2,889
Other	5	-	-	5
Accumulated amortisation as at December 31st 2022	17,907	343	-	18,250
Amortisation in period	796	-	-	796
Other	-	-	-	-
Accumulated amortisation as at March 31st 2023	18,703	343	-	19,046
Net carrying amount as at December 31st 2022	14,154	-	12,889	27,043
Net carrying amount as at March 31st 2023	16,514	-	12,522	29,036

15. Investments in other entities

	As at March 31st 2023	As at December 31st 2022
Shares in other entities	110	110
Total	110	110

16. Other financial assets

	As at March 31st 2023	As at December 31st 2022
Loans measured at amortised cost		
Loans to other entities	3,551	4
Total	3,551	4
Long-term	-	-
Short-term	3,551	4
Total	3,551	4

On January 2nd 2023, an agreement was signed with Global One Automotive GmbH of Frankfurt whereby the Company advanced a loan of EUR 750 thousand to Global One. The loan bears interest at 3M EURIBOR + margin. The agreement was concluded for a definite term from February 1st 2023 to July 31st 2023. 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 contract asset

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 2023	As at December 31st 2022
Merchandise	955,424	964,899
Write-downs	(7,232)	(9,169)
Total	948,192	955,730

Change in inventory write-downs

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.

	Period ended March 31st 2023	Period ended December 31st 2022
-		
At beginning of period	(9,169)	(10,450)
Decrease	1,984	4,176
Increase	(47)	(2,895)
As at end of period	(7,232)	(9,169)

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 2023	As at December 31st 2022
-		
Liabilities secured with pledge on inventories	205,838	306,174

Recognised inventory cost

	Period ended March 31st 2023	Period ended March 31st 2022
-		
Cost of sales	(615,871)	(450,401)
Distribution costs	(1,849)	(1,188)
Total inventory cost recognised	(617,720)	(451,589)

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

17.2 Contract asset

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. An asset is created in connection with the recognition of an estimated decrease in the cost of merchandise sold relating to the estimated right to return merchandise.

	As at March 31st 2023	As at December 31st 2022
Contract asset	16,544	13,584

18. Trade and other receivables

	As at March 31st 2023	As at December 31st 2022
Trade receivables payable up to 12 months	199,620	179,855
Trade receivables payable in more than 12 months	3,174	2,274
Trade receivables from suppliers	44,425	68,207
Impairment losses on trade receivables	(8,492)	(8,223)
Total trade receivables	238,727	242,113
Receivables from card system operators	2,146	1,458
Rent deposits receivable	2,071	2,052
Other financial receivables	4,315	4,624
Impairment losses on other receivables	(871)	(871)
Total trade and other financial receivables	246,388	249,376
Prepaid deliveries	10,571	5,725
Receivables on sale of property, plant and equipment	-	-
Prepayments and accrued income	8,130	6,683
VAT tax to be settled in future periods/refunded to bank account	21,726	23,007
Other non-financial receivables	911	851
Total non-financial receivables	41,338	36,266
Total trade and other receivables	287,726	285,642
Other long-term receivables	4,223	4,299
Trade and other receivables	283,503	281,343
Total trade and other receivables	287,726	285,642

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

	As at March 31st 2023	As at December 31st 2022
not past due	(1,322)	(1,074)
past due 1-30 days	(45)	(59)
past due 31-90 days	(56)	(43)
past due 91-120 days	(5)	(196)
past due 121-180 days	(259)	(197)
past due 181-360 days	(670)	(420)
over 360 days	(6,135)	(6,234)
Total impairment losses on trade receivables	(8,492)	(8,223)

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

	Period ended March 31st 2023	Period ended December 31st 2022
-		
At beginning of period	(8,223)	(7,209)
Recognised	(582)	(2,168)
Write-off	87	1,061
Decrease	226	93
As at end of period	(8,492)	(8,223)

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

	Period ended March 31st 2023	Period ended December 31st 2022
At beginning of period	(871)	(902)
Increase	-	-
Decrease	-	31
As at end of period	(871)	(871)

Trade and other receivables pledged as security

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 2023	As at December 31st 2022
Receivables pledged as security	119,917	92,595

19. Share capital

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

	As at March 31st 2023	As at December 31st 2022
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

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

20. Borrowings

	As at March 31st 2023	As at December 31st 2022
Unsecured – at amortised cost		
Borrowings from related entities	27,320	28,035
	27,320	28,035
Secured – at amortised cost		
Overdraft facilities	33,585	158,744
Bank borrowings	172,253	162,533
Other borrowings	2	4
	205,840	321,281
Total borrowings	233,160	349,316
Current liabilities (i)	136,160	210,616
Non-current liabilities	97,000	138,700
Total borrowings	233,160	349,316

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

Credit facility agreements and non-bank borrowings:

Agreement	Repayment date	Credit limit	Currency	Interest rate	As at March 31st 2023	As at December 31st 2022
ING Bank Śląski S.A.	Multi-product facility agreement of October 19th 2015 No. 882/2015/00000925/00	October 10th 2024	177,000			
	working capital facility in bank account		PLN	1M WIBOR + margin	-	62,080
	working capital facility in credit account		PLN	1M WIBOR + margin	97,076	97,244
Security: (a) registered pledge over Auto Partner S.A.'s receivables from domestic customers (balance-sheet item) of up to PLN 270,000 thousand, (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 270,000 thousand, (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 270,000 thousand, (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 270,000 thousand, (f) subordination of borrowings obtained from Katarzyna Górecka and Aleksander Górecki of up to PLN 26,700 thousand.						
Santander Bank Polska S.A.	Multi-facility agreement of September 26th 2016 No. K00922/16	March 31st 2024	90,000			
	working capital facility in bank account		PLN	1M WIBOR + margin	-	4,111

	working capital facility in credit account		PLN	1M WIBOR + margin	50,000	25,000
The facility is secured with: a) 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 135,000 thousand; 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 thousand; 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 15,000 thousand; 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.						
mBank S.A.	Overdraft facility agreement of October 22nd 2019 No. 11/145/19/Z/VV	September 30th 2025			50,000	
	working capital facility in bank account		PLN	WIBORON + margin	25	48,732
Security: (a) a registered pledge over inventories of merchandise with a value of PLN 75,000 thousand, (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 75,000 thousand, (d) subordination of claims under the loans provided by Katarzyna Górecka and Aleksander Górecki of up to PLN 26,000 thousand.						
mBank S.A.	Working capital facility in credit account agreement of December 13th 2022 No. 11/168/22/Z/OB . The agreement expired on March 27th 2023 following repayment of the facility.	December 12th 2024			15,000	
	working capital facility in credit account		PLN	1M WIBOR + margin	-	15,103
The credit facility is secured with the Company's declaration on submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to PLN 22,500 thousand.						
BNP Paribas Bank Polska S.A.	Multi-purpose credit facility agreement No. WAR/8806/21/537/CB of September 13th 2021	September 12th 2023			50,000	
	working capital facility in bank account		PLN	1M WIBOR + margin	33,560	43,821
Security: a) declaration by Auto Partner S.A. on submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure in respect of contractual payment obligations, for up to PLN 75,000 thousand, with the time limit for filing a request to issue an enforceability order, in substance acceptable to the Bank, set for September 12th 2034; b) declaration by Maxgear Sp. z o.o. Sp. kom. on submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure in respect of contractual payment obligations, for up to PLN 52,500 thousand, with the time limit for filing a request to issue an enforceability order, in substance acceptable to the Bank, set for September 9th 2034; c) registered pledge with the maximum security amount of PLN 60,000 thousand 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 60,000 thousand. 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; d) 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 50,000 thousand; e) 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 thousand to the facility.						
BNP Paribas Bank Polska S.A.	Revolving credit facility agreement No. WAR/8806/22/17/CB of January 24th 2022	September 12th 2023			25,000	
	working capital facility in credit account		PLN	1M WIBOR + margin	25,177	25,186
Security: a) a registered pledge with the maximum security amount of PLN 37,500 thousand over inventories of the borrower's merchandise held at the borrower's branches, b) 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 thousand, with the time limit for filing a request to issue an enforceability order, in substance acceptable to the Bank, set for January 30th 2023, c) 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 thousand, d) an agreement on subordination of claims under the loans provided to the borrower by Katarzyna Górecka and Aleksander Górecki to the credit facility.						
Credit Agricole Bank Polska S.A.	Investment credit facility agreement No. KRI/S/8/2022 of September 13th 2022	September 16th 2027			10,000	
	investment credit facility in credit account		PLN	1M WIBOR + margin	-	-
Security: 1) registered pledge over the equipment financed with funds drawn on the facility, for up to 120% of the amount disbursed by the Bank under the facility, 2) assignment of any claims under insurance policies covering the equipment financed with funds drawn on the facility, for up to 120% of the amount disbursed by the Bank under the facility, 3) subordination of a loan obtained from Katarzyna Górecka and Aleksander Górecki for up to PLN 26,700 thousand, 4) submission to enforcement under Art. 777.1 of the Code of Civil Procedure in respect of the contractual payment obligations under the Agreement, for up to PLN 12,000 thousand.						
Katarzyna Górecka and Aleksander Górecki	Shareholder loan agreement of January 2nd 2014	January 2nd 2024			26,700	
	loan agreement		PLN	3M WIBOR + margin	27,320	28,035
Security: none.						

UniCredit Leasing a.s.	Loan to finance purchase of property, plant and equipment	70			
	loan agreement	June 2nd 2023	CZK	2	4
Security: title to the property, plant and equipment financed with the loan					
Total borrowings				233,160	349,316

21. Trade and other payables

21.1 Trade and other payables

	As at March 31st 2023	As at December 31st 2022
Trade payables due in up to 12 months	247,396	148,016
Trade receivables from suppliers	(33,729)	(24,655)
Taxes, customs duties, social security and other benefits payable	4,604	5,875
Liabilities arising from acquisition of property, plant and equipment and intangible assets	1,599	752
Other liabilities	214	227
	220,084	130,215
Current liabilities	220,084	130,215
Total	220,084	130,215

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 liabilities

	As at March 31st 2023	As at December 31st 2022
Contract liabilities	796	629
Right-of-return liabilities (i)	22,309	18,682
Total	23,105	19,311

(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

	As at March 31st 2023	As at December 31st 2022
Total payments under lease contracts		
Current lease liabilities	40,717	39,021
Non-current lease liabilities	110,787	112,595
Total	151,504	151,616

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

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 2023	Period ended March 31st 2022
Cost of short-term leases (i)	2,770	2,322
Cost of leases not disclosed due to the low value of underlying assets (ii)	351	298
Total	3,121	2,620

(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 11.

23. Employee benefit obligations and provisions

	As at March 31st 2023	As at December 31st 2022
Salaries and wages payable	10,184	9,337
Social security and Employee Capital Plan obligations	10,235	9,001
Provision for accrued holiday entitlements	6,120	4,259
Provision for retirement and disability benefit obligations	675	498
Provision for obligations under the Incentive Scheme for 2022	11,600	11,600
Obligation under the Incentive Scheme for 2020	538	538
	39,352	35,233
Long-term employee benefit obligations and provisions	2,835	2,661
Short-term employee benefit obligations and provisions	36,517	32,572
Total	39,352	35,233

The table below shows changes in provisions:

	Period ended March 31st 2023	Period ended March 31st 2022
Provision for accrued holiday entitlements	(1,861)	(1,417)
Provision for retirement and disability benefit obligations	(177)	100
Total	(2,038)	(1,317)

24. Financial instruments

	As at March 31st 2023	As at December 31st 2022
Financial assets		
Measured at fair value through profit or loss:	-	-
<i>Held for trading</i>	-	-
<i>Classified for measurement at fair value through profit or loss:</i>	-	-
Measured at amortised cost:	302,982	284,311
<i>Cash</i>	<i>53,043</i>	<i>34,931</i>
<i>Trade and other financial receivables</i>	<i>246,388</i>	<i>249,376</i>
<i>Loans</i>	<i>3,551</i>	<i>4</i>
Measured at fair value through other comprehensive income	-	-
Financial receivables excluded from the scope of IFRS 9 – shares	110	110
Financial liabilities		
Measured at fair value through profit or loss:	-	-
<i>Held for trading</i>	-	-
<i>Classified for measurement at fair value through profit or loss:</i>	-	-
Measured at amortised cost:	449,222	474,058
<i>Trade payables</i>	<i>213,667</i>	<i>123,361</i>
<i>Contract liabilities</i>	<i>796</i>	<i>629</i>
<i>Liabilities arising from acquisition of property, plant and equipment and intangible assets</i>	<i>1,599</i>	<i>752</i>
<i>Borrowings</i>	<i>233,160</i>	<i>349,316</i>
Non-IFRS 9 financial liabilities – lease liabilities	151,504	151,616

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 2022 and March 31st 2023, 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.

Below are presented transactions with entities with personal links to members of the Management Board and the Supervisory Board and transactions with members of the management boards of the subsidiaries.

	Period ended March 31st 2023	Period ended March 31st 2022
Sales of goods and services and other income		
entities related to members of the Management Board and the Supervisory Board	13	5
<i>including:</i>		
<i>sales of goods</i>	-	2
<i>re-charge of costs</i>	13	3

members of management boards of subsidiaries	4	4
<i>including:</i>		
<i>sales of goods</i>	-	-
<i>re-charge of costs</i>	4	4
Total	17	9

	Period ended March 31st 2023	Period ended March 31st 2022
Purchase of goods and services and other purchases		
entities related to members of the Management Board and the Supervisory Board	557	431
<i>including:</i>		
<i>purchase of services</i>	557	431
members of management boards of subsidiaries	135	58
<i>including:</i>		
<i>purchase of services</i>	135	58
Total	692	489

	As at March 31st 2023	As at December 31st 2022
Receivables		
entities related to members of the Management Board and the Supervisory Board	2	10
members of management boards of subsidiaries	1	-
Total	3	10

	As at March 31st 2023	As at December 31st 2022
Liabilities		
entities related to members of the Management Board and the Supervisory Board	269	214
members of management boards of subsidiaries	45	7
Total	314	221

Below are presented transactions with and remuneration of members of the Management Board and the Supervisory Board.

	Period ended March 31st 2023	Period ended March 31st 2022
Sales of goods and services and other income		
Management Board members	8	7
<i>including:</i>		
<i>re-charge of costs</i>	8	7
Total	8	7

	As at March 31st 2023	As at December 31st 2022
Receivables		
Management Board members	352	322
Total	352	322

	Period ended March 31st 2023	Period ended March 31st 2022
Salaries		
Management Board members	264	183
Members of management boards of subsidiaries	60	60
Supervisory Board	50	32
Total	374	275

	Period ended March 31st 2023	Period ended December 31st 2022
Obligation under the Incentive Scheme		
Management Board members	348	348
Members of management boards of subsidiaries	190	190
Total	538	538

Loans received from shareholders are presented below.

	As at March 31st 2023	As at December 31st 2022
Loans received		
Shareholder loan	27,320	28,035
Total	27,320	28,035

	Period ended March 31st 2023	Period ended March 31st 2022
Finance costs		
Interest expense recognised	(620)	(334)
Total	(620)	(334)

26. Dividend for 2022

On March 31st 2023, the Management Board of the Company passed a resolution to recommend that the Annual General Meeting (“AGM”) vote to pay dividend of PLN 19,593,000, i.e. PLN 0.15 per share, for the financial year 2022 and allocate the balance of the net profit for the year to statutory reserve funds. On April 17th 2023, the Supervisory Board resolved to endorse the Management Board’s recommendation.

The recommendation will be presented to the AGM, which has convened for May 25th 2023. In the draft resolution of the AGM on allocation of net profit for the financial year 2022, the dividend record date is set for June 1st 2023 and the dividend payment date for June 15th 2023. 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 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.

– EUR 214 thousand bank guarantee No. DOK1141GWB22WS of March 25th 2022 (as amended), provided in connection with a contract for rent of property in Mysłowice, valid until September 30th 2024, 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.

- PLN 3,000 thousand bank guarantee No. KLG84169IN22 of November 17th 2022, provided in connection with a distribution agreement, valid until December 29th 2023, granted within the credit limit of the facility provided by ING Bank Śląski S.A.; see Note 20.

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, which primarily comprise warehouse equipment, available for use by the Group by March 31st 2023. The value of future lease liabilities is PLN 3,780 thousand.

28. Events subsequent to the reporting date

1) On April 3rd 2023, PLN 2,000 thousand bank guarantee No. KLG87054IN23, expiring on December 31st 2024, was provided under a facility contracted from ING Bank Śląski S.A. (see Note 20) in connection with a distribution agreement.

2) On April 5th 2023, the Company signed a working capital credit facility agreement with mBank S.A. of Warsaw. Under the agreement, a working capital credit facility of PLN 15,000 thousand was advanced to the Company to finance its day-to-day operations. The facility, repayable by December 12th 2024, has a floating interest rate of 1M WIBOR plus a margin. The facility is secured with a declaration on submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to PLN 22,500 thousand.

3) On April 26th 2023, the amount of bank guarantee No. DOK1141GWB22WS of March 25th 2022, expiring on September 30th 2024, provided under a facility contracted from Santander Bank Polska S.A. in connection with a contract for lease of property in Mysłowice, was increased to EUR 485 thousand (see Note 20).

29. Impact of the COVID-19 pandemic on the Group's business

As regards the consequences of the coronavirus pandemic, in 2023 the Group did not identify any impediments to its business or any direct impact on its financial performance.

30. Impact of the Russian Federation's military invasion of Ukraine on the 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 accounted 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. 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 periods. In the long term, the situation may also affect the Group's trading volumes, cash flows and profitability. As at the date of these financial statements, the situation in Ukraine did not have a material impact, whether direct or indirect, on the Group's operations, business continuity and 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.

31. Authorisation for issue

These interim condensed consolidated financial statements of the Group were authorised for issue by the Management Board on May 16th 2023.

II. Quarterly financial information of the parent for Q1 2023

Interim separate statement of comprehensive income

	for the 3 months ended		
	Note	March 31st 2023	March 31st 2022
STATEMENT OF PROFIT OR LOSS		(unaudited)	(unaudited)
Revenue from contracts with customers		837,239	640,043
Cost of sales		(621,451)	(457,122)
Gross profit		215,788	182,921
Distribution costs and marketing expenses		(95,646)	(70,663)
Warehousing costs		(55,414)	(43,436)
Management and administrative expenses		(8,518)	(6,481)
Other gains (losses), net		1,120	257
Other income		33	95
Other expenses		(188)	(231)
Operating profit		57,175	62,462
Finance income		11,029	3,389
Finance costs		(7,635)	(3,886)
Profit before tax		60,569	61,965
Income tax		(9,717)	(11,396)
Net profit		50,852	50,569
OTHER COMPREHENSIVE INCOME			
Other comprehensive income, net		-	-
Other comprehensive income that will be reclassified to profit or loss		-	-
TOTAL COMPREHENSIVE INCOME		50,852	50,569
Earnings per share (PLN per share)			
From continuing operations:			
Basic		0.39	0.39
Diluted		0.39	0.39

Interim separate statement of financial position

	Note	As at March 31st 2023 (unaudited)	As at December 31st 2022	As at March 31st 2022 (unaudited)
ASSETS				
Non-current assets				
Intangible assets		29,036	27,043	21,938
Property, plant and equipment		252,581	248,079	172,260
Investments in related entities		30,448	30,448	30,448
Investments in other entities		110	110	110
Other long-term receivables		4,082	4,160	3,847
Other non-current financial assets		-	-	1,514
Total non-current assets		316,257	309,840	230,117
Current assets				
Inventories		946,489	901,722	754,446
Contract asset		16,544	13,584	12,155
Trade and other receivables		318,260	304,777	275,200
Other financial assets		3,551	4	3,527
Cash and cash equivalents		42,176	32,031	30,469
Total current assets		1,327,020	1,252,118	1,075,797
Total assets		1,643,277	1,561,958	1,305,914
EQUITY AND LIABILITIES				
Equity				
Share capital issued		13,062	13,062	13,062
Share premium		106,299	106,299	106,299
Other components of equity		2,103	2,103	2,103
Retained earnings		796,692	745,840	605,449
Total equity		918,156	867,304	726,913
Non-current liabilities				
Long-term borrowings		97,000	138,700	107,865
Lease liabilities		109,428	111,070	68,053
Employee benefit obligations and provisions		2,835	2,661	775
Deferred tax liability		10,147	20,044	5,210
Total non-current liabilities		219,410	272,475	181,903
Current liabilities				
Trade and other payables		270,331	173,301	153,916
Contract liabilities		23,105	19,311	16,961
Short-term borrowings		102,613	137,329	123,579
Lease liabilities		40,215	38,565	32,422
Current tax liability		29,911	18,642	39,262
Employee benefit obligations and provisions		32,096	28,179	23,382
Short-term provisions		7,440	6,852	7,576
Total current liabilities		505,711	422,179	397,098
Total liabilities		725,121	694,654	579,001
Total equity and liabilities		1,643,277	1,561,958	1,305,914

Interim separate statement of cash flows

<i>indirect method</i>	for the 3 months ended		
	Note	March 31st 2023	March 31st 2022
Cash flows from operating activities		(unaudited)	(unaudited)
Profit before tax		60,569	61,965
Adjustments:			
Depreciation and amortisation		9,817	7,302
Foreign exchange gains/losses		(166)	388
Adjustments for gains/losses on investing activities		(10)	(34)
Finance costs recognised in profit or loss		7,564	3,378
Finance income recognised in profit or loss		(55)	(45)
Other adjustments		-	-
Change in inventories		(44,767)	(107,166)
Change in contract asset		(2,960)	(1,296)
Gains on share in profit or loss of related entities		(10,835)	(3,266)
Change in trade and other receivables		(2,525)	(22,514)
Change in trade and other payables		95,929	82,386
Change in contract liabilities		3,794	1,368
Change in employee benefit obligations and provisions		4,679	665
Cash from operating activities		121,034	23,131
Income tax paid		(8,346)	(5,592)
Net cash from operating activities		112,688	17,539
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(5,377)	(7,428)
Disposal of property, plant and equipment and intangible assets		86	33
Loans		(3,537)	(3,399)
Repayment of loans		1	1
Receipts from lease		-	57
Interest received		-	3
Net cash from investing activities		(8,827)	(10,733)
Cash flows from financing activities			
Dividend paid		-	-
Borrowings received		-	20,696
Borrowings repaid		(75,288)	-
Payment of lease liabilities		(10,286)	(7,659)
Interest and commissions paid		(7,982)	(3,128)
Other cash used in financing activities – corporate surety		(168)	(125)
Other cash provided by financing activities – corporate surety		55	45
Net cash from financing activities		(93,669)	9,829
Total net cash flows		10,192	16,635
Cash and cash equivalents at beginning of period		32,031	13,922
Effect of exchange rate fluctuations on cash held		(47)	(88)
Cash and cash equivalents at end of period		42,176	30,469

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 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
Dividend paid				-	-
As at March 31st 2022 (unaudited)	13,062	2,103	106,299	605,449	726,913
As at December 31st 2021	13,062	2,103	106,299	554,880	676,344
Net profit for period				210,553	210,553
Total comprehensive income	-	-	-	210,553	210,553
Dividend paid				(19,593)	(19,593)
As at December 31st 2022	13,062	2,103	106,299	745,840	867,304
Net profit for period				50,852	50,852
Total comprehensive income	-	-	-	50,852	50,852
Dividend paid				-	-
As at March 31st 2023 (unaudited)	13,062	2,103	106,299	796,692	918,156

Notes

The quarterly financial information of the parent for the first quarter of 2023 includes information required under Par. 62.1 and Par. 62.2 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.

All amounts are presented in PLN thousands, unless indicated otherwise.

1. 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.

2. Seasonality

The sale of spare parts and accessories, which constitutes the principal business activity of the Company, 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.

3. Transactions with subsidiaries

All transactions with related parties are made on an arm's length basis.

Below are presented transactions with subsidiaries.

	Period ended March 31st 2023	Period ended March 31st 2022
Sales of goods and services and other income		
Maxgear Sp. z o.o. Sp. komandytowa	1,672	1,473
<i>including:</i>		
<i>sales of goods</i>	<i>1</i>	<i>-</i>
<i>sales of services</i>	<i>1,427</i>	<i>1,272</i>
<i>re-charge of costs</i>	<i>244</i>	<i>201</i>
AP Auto Partner CZ s.r.o.	5,824	4,854
<i>including:</i>		
<i>sales of goods</i>	<i>5,761</i>	<i>4,811</i>
<i>sales of services</i>	<i>37</i>	<i>37</i>
<i>re-charge of costs</i>	<i>26</i>	<i>6</i>
Total	7,496	6,327

	Period ended March 31st 2023	Period ended March 31st 2022
Finance income		
Maxgear Sp. z o.o. Sp. komandytowa	10,890	3,311
<i>including:</i>		
<i>share of profit</i>	<i>10,835</i>	<i>3,266</i>
<i>corporate surety</i>	<i>55</i>	<i>45</i>
AP Auto Partner CZ s.r.o.	-	18
<i>including:</i>		
<i>interest on loan advanced</i>	<i>-</i>	<i>15</i>
<i>interest on finance lease</i>	<i>-</i>	<i>3</i>
Total	10,890	3,329

	Period ended March 31st 2023	Period ended March 31st 2022
Finance costs		
Maxgear Sp. z o.o. Sp. komandytowa	(168)	(130)
<i>including:</i>		
<i>corporate surety</i>	<i>(168)</i>	<i>(130)</i>
Total	(168)	(130)

	Period ended March 31st 2023	Period ended March 31st 2022
Purchase of goods and other purchases		
Maxgear Sp. z o.o. Sp. komandytowa	119,485	142,001
<i>including:</i>		

<i>purchase of goods</i>	119,485	142,001
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Total	119,485	142,001
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	As at March 31st 2023	As at December 31st 2022
Receivables		
Maxgear Sp. z o.o. Sp. komandytowa	25,406	12,225
<i>including:</i>		
<i>trade receivables</i>	2,467	121
<i>share of profit receivables</i>	22,939	12,104
AP Auto Partner CZ s.r.o.	17,692	15,523
<i>including:</i>		
<i>trade receivables</i>	17,692	15,523
Total	43,098	27,748

	As at March 31st 2023	As at December 31st 2022
Liabilities		
Maxgear Sp. z o.o. Sp. komandytowa	63,745	63,806
<i>including:</i>		
<i>trade payables</i>	63,745	63,806
Total	63,745	63,806

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” or “Parent”) as the parent. Basic information on the parent is presented below:

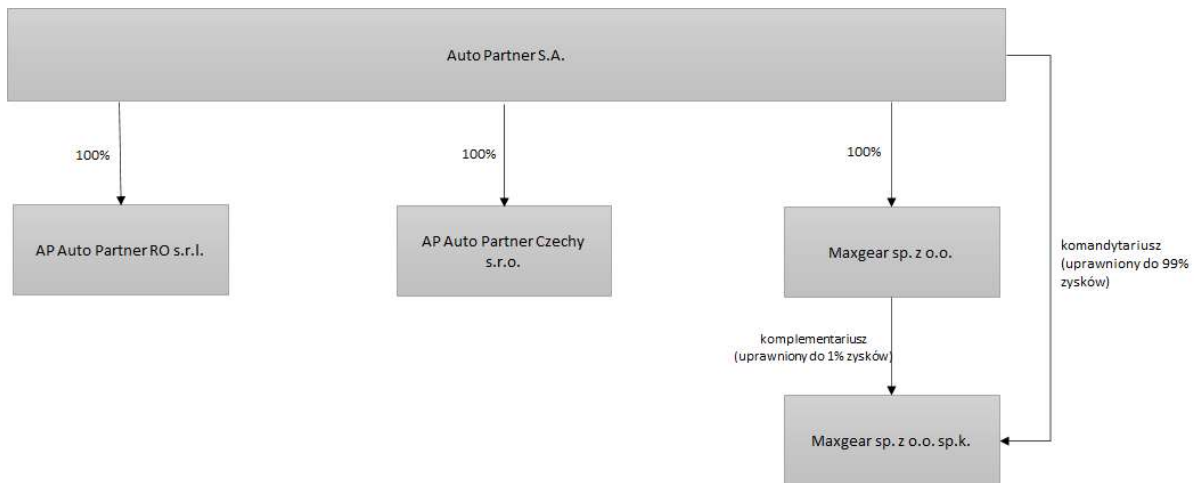
Registered office:	Bieruń
Legal form:	joint stock company
Country of incorporation:	Poland
Address:	ul. Ekonomiczna 20, 43-150 Bieruń
Tel./Fax:	+48 32 325 15 00 / +48 32 325 15 20
Email:	kontakt@autopartner.com
Website:	www.autopartner.com

As at March 31st 2023, 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 Bucharest, 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. Maxgear sp. z o.o. is wholly owned by the Company, which holds 100% of its shares and the right to exercise all 100 voting rights at its General Meeting.

The company 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 continued building of the value of its private label brands. 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 Bucharest, 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 and IFRS and the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated March 29th 2018. In its consolidated quarterly report the Company also includes quarterly financial information containing the information specified in Par. 66.1 - Par. 66.4, Par. 66.5, first sentence, 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 2023

The following events and factors had a bearing on the Company's business in and financial results for the first quarter of 2023:

- On January 2nd 2023, the Company entered into an agreement with Global One Automotive GmbH of Frankfurt whereby it advanced a loan of EUR 750,000.00 to Global One. The agreement was concluded for a definite term until July 31st 2023. The Company holds 6.25% of shares in Global One Automotive GmbH as a participant in the International Purchasing Group (since 2017).
- On February 6th 2023, the Company signed an amendment to a lease contract with Westinvest Gesellschaft für Investmentfonds mbH of Düsseldorf, Germany. The term of the lease contract concerning the Company's registered office and warehouse in Bieruń was extended until May 30th 2034.
- February 15th 2023 saw the execution of Amendment 2 to the loan agreement signed on January 2nd 2014 with the Company's shareholders Aleksander Górecki and Katarzyna Górecka. The Amendment changed the terms and conditions concerning interest charged on the loan: as of January 1st 2023 the interest rate will be variable and based on 3M WIBOR plus a margin (previously the interest rate was fixed).
- On February 6th 2023, the Company signed an amendment to the Multi-Facility Agreement with Santander Bank Polska Spółka Akcyjna of Warsaw of September 26th 2016, as subsequently amended from time to time. The amendment increased the multi-facility limit from PLN 65,000,000.00 (including, among others, a credit facility sublimit in the euro) to a maximum amount of PLN 90,000,000. The facility is to be used to finance the day-to-day operations of Auto Partner S.A. The availability of the limits under the multi-facility was extended until March 31st 2026. Interest on the

debt is calculated based on floating rates (plus a margin): 1M WIBOR for debt in the Polish złoty and 1M EURIBOR for debt in the euro.

- On February 10th 2023, at the Company's request, all contractual security instruments were released and the reverse factoring agreement executed with Santander Factoring Sp. z o.o. on March 29th 2019 was formally terminated.
- On February 21st 2023, the Company signed a deed establishing a foundation under the name Auto Partner with its seat in Bieruń. The Foundation's objects are as follows: provision of social assistance, charitable activities, educational activities, health protection and promotion, promotion of volunteering, ecology and animal protection, and protection of natural heritage, cultural activities, promotion of physical culture and sport, assistance to victims of catastrophes, natural disasters, armed conflicts and wars in Poland and abroad, public order and security activities.
- On March 31st 2023, the Management Board of the Company passed a resolution to recommend that the Annual General Meeting vote to pay dividend of PLN 19,593,000, i.e. PLN 0.15 per share, for the financial year 2022. At the meeting held on April 17th 2023, the Supervisory Board endorsed the recommendation. The draft resolution of the Annual General Meeting on distribution of net profit for 2022, as prepared by the Company, sets June 1st 2023 and June 15th 2023 as the dividend record date and dividend payment date, respectively. The final decision on payment of dividend and setting the above dates will be made by the Annual General Meeting on May 25th 2023.
- Following repayment on March 27th 2023 of a non-revolving working capital facility of PLN 15,000,000, granted by mBank S.A., on April 5th 2023 the Company signed a working capital credit facility agreement with mBank S.A. of Warsaw. Under the agreement, a revolving working capital credit facility of PLN 15,000,000 (fifteen million złotys) was advanced to the Company to finance its day-to-day operations. The facility, repayable by December 12th 2024, has a floating interest rate of 1M WIBOR plus a margin.

The Company's financial performance was also affected by:

- continued expansion and sales growth,
- a periodic decrease in gross margin relative to previous quarters, largely attributable to sales of inventory purchased in the second half of 2022, which saw unprecedented depreciation of the PLN and inflated transport costs, at a time of PLN appreciation against the EUR and, more notably, the USD, coupled with a significant decline in freight rates,
- year-on-year increase in interest rates (in the first quarter of 2022, WIBOR rates were still significantly lower than in the first quarter of 2023), which translated into considerably higher finance costs,
- salary increases to keep pace with inflation,
- effective inventory and procurement management, which enabled keeping liabilities under borrowings and leases as at the reporting date largely unchanged year on year.

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 2023 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 2023. 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. On February 21st 2023, by way of a deed the Company established a foundation under the name Auto Partner with its seat in Bieruń.

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 2023.

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 2022 (April 18th 2023) to the issue date of this Report (May 16th 2023), no changes occurred in the ownership of major holdings of Company shares.

To the Company's best knowledge, the shareholders holding 5% or more of total voting rights as at May 16th 2023, i.e., the issue date of this Report, were as follows:

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

* 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.

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 2022 (April 18th 2023) to the issue date of this Report (May 16th 2023), no changes occurred in the holdings of Company shares held by the Company's management or supervisory staff.

The table below presents holdings of members of the Management Board and the Supervisory Board as at the date of issue of this report, which was May 16th 2023.

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	209,000	20,900.00
Jarosław Plisz	Chair of the Supervisory Board	20	2.00
total:		28,967,597	

Source: the Group.

None of the members of the Management or Supervisory Board holds any shares in the Company's subsidiaries.

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 interim condensed consolidated financial statements and Note 3 to the quarterly financial information of the parent for the three months to March 31st 2023.

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 approximately 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

Currently, domestic sales account for close to half of the Group's revenue, and export sales for the remainder. Supplies to the Group's foreign customers in Germany, Austria, the Czech Republic, Slovakia, Hungary, Romania, Slovenia, Croatia, Lithuania, Latvia, Estonia, the Netherlands, Belgium, Luxemburg, Denmark, Finland, Sweden, Norway, France, Spain, Portugal, Italy, Switzerland, United Kingdom and Ireland are mainly delivered directly from the Group's central warehouse and Pruszków hub.

Revenue structure by domestic and export sales:

	Period ended March 31st			
	2023		2022	
	PLN'000	share (%)	PLN'000	share (%)
Sales of merchandise – Poland	405,513	48.5%	318,804	49.8%
Sales of merchandise – EU	420,644	50.3%	316,959	49.6%
Sales of merchandise – other exports	10,014	1.2%	3,208	0.5%
Sales of services – Poland	202	0.0%	163	0.0%
Sales of services – EU	272	0.0%	437	0.1%
Total	836,645	100%	639,571	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 position in the first quarter of 2023

In the three months ended March 31st 2023, the Group recorded a 30.8% year-on-year increase in sales. The increase was driven to a greater extent by higher foreign sales (+34.4%), although in Poland the growth rate was also high (+27.2%). The effect of inflation on revenue growth weakened compared to 2022.

Gross margin fell year on year, to 26.4% from 29.6% in the corresponding period of the previous year. This periodic decline was largely attributable to sales of inventory purchased in the second half of 2022, which saw unprecedented depreciation of the PLN and inflated transport costs, at a time of PLN appreciation against the EUR and, more notably, the USD, coupled with a significant decline in freight rates.

Costs were clearly affected by high inflation (including wage pressure), which apart from business expansion was the main driver of growing operating expenses.

Net profit and net margin were also impacted by significantly higher finance costs resulting from steep increases in interest rates. Over the twelve months to March 31st 2023, WIBOR benchmarks almost doubled, which was the main cause of the more than two-fold increase in finance costs year on year.

Consequently, in the first quarter of 2023 the Group reported a net profit of PLN 43.0m, down 14.5% year on year from PLN 50.3m in the corresponding period of the previous 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.

Attention should be paid to the effect of change in the presentation of estimates of trade discounts due from suppliers on the value of trade receivables and payables, and thus on the value of selected ratios concerning some of the previous periods. The presentation is changed starting from the financial statements for 2020, prepared as at December 31st 2020. The data as at the previous reporting dates, used to calculate the ratios, have been restated accordingly, resulting in changes in the ratios relative to those published in previous financial statements. The other presentation change concerned employee benefit obligations. The change was first made in the financial statements as at June 30th 2020, with data as at the previous reporting dates restated for ratio calculation purposes.

Profitability metrics

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

For period ended March 31st consolidated
financial statements

	2023	2022	2021
	PLN'000	PLN'000	PLN'000
EBITDA (PLN '000) ¹	71,974	73,988	54,705
Gross margin (%) ²	26.4	29.6	27.6
EBITDA margin (%) ³	8.6	11.6	11.5
EBIT margin (%) ⁴	7.4	10.4	10.2
Pre-tax profit margin (%) ⁵	6.4	9.8	9.8
Net profit margin (%) ⁶	5.1	7.9	7.9

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 March 31st consolidated financial statements		For year consolidated financial statements	
	2023	2022	2022	2021
	PLN'000	PLN'000	PLN'000	PLN'000
ROE (%) ⁷	20.2	30.0	27.7	32.7
ROA (%) ⁸	11.0	16.0	14.9	18.7

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 2023	Mar 31 2022	Dec 31 2022	Dec 31 2021
	days	days	days	days
Inventory turnover period (days) ^{1*}	141	159	158	141
Average collection period (days) ²	30	36	34	30
Average payment period (days) ³	29	30	24	23
Cash conversion cycle ⁴	143	165	168	148

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 2023	Mar 31 2022	Dec 31 2022	Dec 31 2021
	PLN'000	PLN'000	PLN'000	PLN'000
Total debt ratio (%) ¹	44.5	47.7	46.3	45.5
Long-term debt ratio (%) ²	13.4	13.3	17.2	15.0
Short-term debt ratio (%) ³	31.1	34.3	29.2	30.5
Equity-to-debt ratio (%) ⁴	124.7	109.7	115.9	119.8

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 2023	Dec 31 2022	Dec 31 2021
	PLN'000	PLN'000	PLN'000
Current ratio ¹	2.63	2.81	2.75
Quick ratio ²	0.69	0.69	0.70
Cash ratio ³	0.11	0.08	0.05

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 March 31st 2023	As at December 31st 2022
Number of employees	2451	2327

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:

- The opening in December 2022 of a new logistics and storage centre in Poznań, with a total area of 14,672 m², including 13,660 m² of warehouse space, under a lease contract signed with MLP Poznań West II Sp. z o.o. of Pruszków on September 22nd 2021.
- The establishment of a new logistics and storage centre in Zgorzelec, comprising 28,534 m² of storage, maintenance and utility space and 1,117 m² of office and staff amenity space, under lease contract signed with MLP Poznań East spółka z ograniczoną odpowiedzialnością of Pruszków on December 22nd 2022. In accordance with the contract, the Lessor will deliver the leased space to Auto Partner S.A. by June 3rd 2024. Work to place the logistics and storage centre in service is expected to end in the third quarter of 2025.
- 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.
- Approval on January 10th 2022 by the General Meeting of Maxgear sp. z o.o. of the Rules of the 2022–2024 Incentive Scheme for 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 in accordance with the Rules to members of the Management Board of Maxgear sp. z o.o. will not exceed PLN 4,000,000 during the term of the Scheme.
- Inflation rate in the areas with a significant impact on the Group's profit or loss.
- Movements of currency exchange rates, in particular the USD/PLN and EUR/PLN exchange rates.
- Market interest rates underlying the interest rates paid on bank borrowings and variable-rate lease contracts, including, without limitation, WIBOR rates.

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

On April 5th 2023, the Company signed a working capital credit facility agreement with mBank S.A. of Warsaw. Under the agreement, a working capital credit facility of PLN 15,000 thousand was advanced to the Company to finance its day-to-day operations. The facility, repayable by December 12th 2024, has a floating interest rate of 1M WIBOR plus a margin. The facility is secured with a declaration on submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to PLN 22,500 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.

This quarterly report was authorised for issue by the Management Board on May 16th 2023.

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 Tomasz Werbiński Member of the Management Board

Signature of the person responsible for accounting records

Kamila Obłodecka Pieńkosz – Chief Accountant