
Consolidated quarterly report of the Auto Partner Group for Q3 2021



Table of contents

I. Interim condensed consolidated financial statements.....	4
Interim consolidated statement of profit or loss and other comprehensive income	4
Interim consolidated statement of financial position	5
Interim consolidated statement of cash flows	6
Interim consolidated statement of changes in equity.....	7
Notes.....	7
1. General information.....	7
2. Statement of compliance and basis of preparation.....	9
3. Change of accounting policies and presentation.....	9
4. Amendments to standards and interpretations	10
5. Significant assessments and estimates.....	11
6. Seasonality	11
7. Functional and reporting currency	11
8. Revenue	12
9. Costs by nature and function of expense	12
10. Other net gains (losses).....	13
11. Finance income	14
12. Finance costs.....	14
13. Property, plant and equipment	14
14. Intangible assets	16
15. Investments in related and other entities	17
16. Other financial assets.....	18
17. Inventories and right-of-return assets.....	18
18. Trade and other receivables	19
19. Share capital.....	21
20. Borrowings	22
21. Trade and other payables	24
22. Financial liabilities under lease contracts	24
23. Employee benefit obligations and provisions.....	25
24. Financial instruments.....	26
25. Related-party transactions.....	27
26. Dividend	29
27. Contingent liabilities, future contract liabilities, sureties provided and received, and contingent assets.....	29
28. Events subsequent to the reporting date	30
29. Structure of cash in the statement of cash flows	31

30.	Income tax.....	31
31.	Authorisation for issue.....	31
II.	Quarterly financial information of the parent for Q3 2021.....	32
	Interim separate statement of profit or loss and other comprehensive income.....	32
	Interim separate statement of financial position.....	32
	Interim separate statement of cash flows.....	33
	Interim separate statement of changes in equity.....	35
	Notes.....	35
1.	Statement of compliance and basis of preparation.....	35
2.	Significant assessments and estimates.....	36
3.	Change of accounting policies and presentation.....	36
4.	Transactions with subsidiaries.....	37
III.	Key supplementary information to the consolidated quarterly report.....	40
1.	The Company and the Group.....	40
2.	Rules of preparation of consolidated quarterly report.....	41
3.	Significant events with material bearing the parent's and the Group's business in and financial results for the nine months ended September 30th 2021.....	41
4.	Assessment of factors and non-recurring events with a bearing on operating results.....	42
5.	Changes in the Parent's and the Group's key management policies.....	42
6.	Management Board' position on the feasibility of published forecasts.....	42
7.	Shareholders holding 5% or more of total voting rights in the Company.....	43
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).....	43
9.	Material court, arbitration and administrative proceedings.....	43
10.	Related-party transactions executed by the Company or its subsidiaries on non-arm's length terms.....	44
11.	Significant sureties and guarantees (received and issued), including in particular sureties and guarantees issued to and received from related entities.....	44
12.	Business of the Auto Partner Group.....	44
13.	Current and anticipated financial condition and description of the Company's and the Group's significant achievements and failures.....	45
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.....	48
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.....	49

This document (“Consolidated quarterly report of the Auto Partner Group for Q3 2021”) 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 profit or loss and other comprehensive income

	Note	for the 3 months ended		for the 9 months ended	
		September 30th 2021 unaudited	September 30th 2020 unaudited	September 30th 2021 unaudited	September 30th 2020 unaudited
Revenue	8	611,621	469,530	1,674,533	1,237,303
Cost of sales	9	(438,006)	(337,767)	(1,197,192)	(888,137)
Gross profit (loss)		173,615	131,763	477,341	349,166
Distribution costs and marketing expenses	9	(65,574)	(49,488)	(174,473)	(137,054)
Warehousing (logistics) costs	9	(36,519)	(28,443)	(98,124)	(80,824)
Management and administrative expenses	9	(6,796)	(7,556)	(21,127)	(21,854)
Other net gains (losses)	10	1,344	485	1,330	(660)
Other income		101	92	305	177
Other expenses		(103)	(66)	(1,228)	(285)
Operating profit (loss)		66,068	46,787	184,024	108,666
Finance income	11	(847)	7	111	75
Finance costs	12	(1,932)	(1,614)	(5,222)	(7,393)
Profit (loss) before tax		63,289	45,180	178,913	101,348
Income tax		(12,272)	(8,594)	(34,531)	(19,478)
Net profit (loss)		51,017	36,586	144,382	81,870
Translation reserve		(170)	4	(263)	49
Other comprehensive income, net		(170)	4	(263)	49
TOTAL COMPREHENSIVE INCOME		50,847	36,590	144,119	81,919
Net profit (loss) attributable to:					
Owners of the parent		51,017	36,586	144,382	81,870
Non-controlling interests		-	-	-	-
Total comprehensive income attributable to:					
Owners of the parent		50,847	36,590	144,119	81,919
Non-controlling interests		-	-	-	-
Earnings (loss) per share (PLN per share)					
From continuing operations:					
Basic		0.39	0.28	1.10	0.63
Diluted		0.39	0.28	1.10	0.63

Interim consolidated statement of financial position

		As at September 30th 2021 unaudited	As at June 30th 2021 unaudited	As at December 31st 2020 restated	As at September 30th 2020 unaudited restated
	Note				
ASSETS					
Non-current assets					
Intangible assets	14	15,786	14,564	12,726	11,819
Property, plant and equipment	13	161,957	143,482	132,257	129,418
Investments in other entities	15	110	110	110	110
Other long-term receivables	18	3,741	2,614	2,043	1,818
Other non-current financial assets	16	12	8	30	29
Deferred tax assets		876	863	-	-
Total non-current assets		182,482	161,641	147,166	143,194
Current assets					
Inventories	17.1	641,910	587,684	481,441	492,210
Right-of-return assets	17.2	14,150	15,471	10,211	10,972
Trade and other receivables	18	212,038	183,015	129,751	133,698
Other financial assets	16	11	8	7	10
Current tax assets		-	202	-	-
Cash and cash equivalents	29	26,578	32,401	21,377	24,342
Total current assets		894,687	818,781	642,787	661,232
Total assets		1,077,169	980,422	789,953	804,426
EQUITY AND LIABILITIES					
Equity					
Share capital issued		13,062	13,062	13,062	13,062
Share premium		106,299	106,299	106,299	106,299
Other capital reserves		1,548	1,718	1,811	2,112
Retained earnings		493,075	442,058	361,755	332,643
Equity attributable to owners of the parent		613,984	563,137	482,927	454,116
Equity attributable to non-controlling interests		-	-	-	-
Total equity		613,984	563,137	482,927	454,116
Non-current liabilities					
Long-term borrowings	20	93,700	26,706	26,730	93,343
Lease liabilities	22	68,228	59,001	56,893	51,485
Employee benefit obligations and provisions	23	1,204	1,215	2,298	1,803
Deferred tax liability		8,771	4,903	5,005	1,004
Total non-current liabilities		171,903	91,825	90,926	147,635
Current liabilities					
Trade and other payables	21.1	120,546	130,345	79,458	128,728
Contract and right-of-return liabilities	21.2	18,733	20,554	13,215	14,395
Short-term borrowings	20	76,384	106,741	76,597	10,060
Lease liabilities	22	32,749	28,571	26,706	29,853
Current tax liability	30	20,915	16,236	1,413	1,939
Employee benefit obligations and provisions	23	20,266	21,448	18,016	17,316
Short-term provisions		1,689	1,565	695	384
Total current liabilities		291,282	325,460	216,100	202,675
Total liabilities		463,185	417,285	307,026	350,310
Total equity and liabilities		1,077,169	980,422	789,953	804,426

Interim consolidated statement of cash flows

(indirect method)	Note	period ended	
		September 30th 2021 unaudited	September 30th 2020 unaudited restated
Cash flows from operating activities			
Profit before tax		178,913	101,348
Adjustments:			
Depreciation and amortisation		19,340	17,385
Foreign exchange gains/losses		(376)	187
Adjustments for gains/losses on sale of non-current assets		262	239
Other adjustments with cash flows from financing or investing activities		(58)	-
Finance costs recognised in profit or loss		5,068	5,908
Other adjustments		(4)	-
Change in inventories		(160,469)	(31,626)
Change in right-of-return assets		(3,939)	(3,444)
Change in trade and other receivables		(85,664)	(15,095)
Change in trade and other payables		40,849	56,234
Change in contract and right-of-return liabilities		5,518	4,617
Change in employee benefit obligations and provisions		2,150	3,857
Cash from operating activities		1,590	139,610
Income tax paid		(12,140)	(20,559)
Net cash from operating activities		(10,550)	119,051
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(12,090)	(7,399)
Disposal of property, plant and equipment and intangible assets		140	15
Loans		(2,394)	-
Repayment of loans		2,413	28
Receipts from finance lease		7	7
Interest received		58	7
Receipts from forward contracts		-	8
Payments for forward contracts		-	(141)
Net cash from investing activities		(11,866)	(7,475)
Cash flows from financing activities			
Dividend paid		(13,062)	-
Borrowings received		66,720	-
Borrowings repaid		(26)	(70,234)
Repayment of financing – reverse factoring		-	(14,370)
Repayment of financing – factoring		-	(3,618)
Payments under finance lease contracts		(21,140)	(18,652)
Interest and commissions paid		(4,727)	(6,242)
Net cash from financing activities		27,765	(113,116)
Total net cash flows		5,349	(1,540)
Cash and cash equivalents at beginning of period		21,377	25,947
Effect of exchange rate fluctuations on cash held		(148)	(65)
Cash and cash equivalents at end of period	29	26,554	24,342

Interim consolidated statement of changes in equity

	Share capital issued	Capital from issue of warrants	Share premium	Retained earnings – other	Translation reserve	Attributable to owners of the parent	Attributable to non-controlling interests	Total
As at December 31st 2019	13,062	2,103	106,299	250,773	(40)	372,197	-	372,197
Net profit for period				81,870		81,870	-	81,870
Other comprehensive income for period, net					49	49	-	49
Total comprehensive income				81,870	49	81,919	-	81,919
Dividend paid						-	-	-
Issue of ordinary shares						-	-	-
As at September 30th 2020 (unaudited)	13,062	2,103	106,299	332,643	9	454,116	-	454,116
As at December 31st 2019	13,062	2,103	106,299	250,773	(40)	372,197	-	372,197
Net profit for period				110,982		110,982	-	110,982
Other comprehensive income for period, net					(252)	(252)	-	(252)
Total comprehensive income				110,982	(252)	110,730	-	110,730
Dividend paid				-		-	-	-
Issue of ordinary shares						-	-	-
As at December 31st 2020	13,062	2,103	106,299	361,755	(292)	482,927	-	482,927
Net profit for period				144,382		144,382	-	144,382
Other comprehensive income for period, net					(263)	(263)	-	(263)
Total comprehensive income				144,382	(263)	144,119	-	144,119
Dividend paid				(13,062)		(13,062)	-	(13,062)
Issue of ordinary shares						-	-	-
As at September 30th 2021 (unaudited)	13,062	2,103	106,299	493,075	(555)	613,984	-	613,984

Notes

1. General information

The Parent

Auto Partner S.A. (the “Company” or the “parent”) 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.

Principal business

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.

Duration of the Company

The Company has been established for indefinite time.

Financial year

The Company's financial year is the same as the calendar year.

Composition of the Management Board as at the date of authorisation of the financial statements for issue

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

Composition of the Supervisory Board as at the date of authorisation of the financial statements for issue

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

Commercial proxies

Grzegorz Lenda – joint commercial proxy.

Qualified Auditor

Deloitte Audyt Spółka z ograniczoną odpowiedzialnością Spółka komandytowa
al. Jana Pawła II 22, 00-133 Warsaw, Poland

Listing venue

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

Structure of share capital

The structure of the Company's share capital as at September 30th 2021 is presented below.

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

The Group

As at the reporting date, the Auto Partner Group (the "Group") comprised Auto Partner S.A. as the parent and four subsidiaries consolidated with the full method. For more information on the consolidated entities, see Note 15.

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.

2. Statement of compliance and basis of preparation

These interim condensed consolidated financial statements (“financial statements”) of the Group for the nine months from January 1st to September 30th 2021 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 September 30th 2021.

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 2020, save for the presentation changes discussed in Note 3.

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 2020 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.

3. Change of accounting policies and presentation

3.1. Changes in accounting policies

The Group did not change its accounting policy.

3.2. Presentation changes

The Group’s Management Board made the following presentation change in the reporting period in order to present the Group’s financial position in a reliable and faithful manner.

- 1) Change in the presentation of employee benefit obligations, comprising salaries and wages, social security and PPK (Employee Capital Plan) obligations. Before the change, these obligations were presented in the statement of financial position under other liabilities. After the change, they were presented in employee benefit obligations and provisions. Below is presented the effect of the presentation change in the statement of financial position as at September 30th 2020 and December 31st 2020 and in the statement of cash flows for the period ended September 30th 2020.

The Group’s Management Board made the following presentation change in order to present the Group’s financial position in a reliable and faithful manner.

- 2) Change in the presentation of estimates of trade discounts due from suppliers. Before the change, the estimated value of trade discounts from suppliers was presented in the statement of financial position under trade and other payables as a reduction in trade payables. After the change, the estimated amount of trade discounts from suppliers is presented in the statement of financial position under trade and other payables as a decrease in trade payables up to the balance of payables to the supplier as at the reporting date, while the surplus is presented under trade and other receivables as an increase in trade receivables from the supplier. Below is presented the effect of the presentation change in the statement of financial position as at September 30th 2020 and in the statement of cash flows for the period ended September 30th 2020.

Consolidated statement of financial position	As at	change	As at	As at	change	As at
	September		September	December 31st		December 31st
	30th 2020		30th 2020	2020		2020
	before		after	before		after
Current assets						
Trade and other receivables	124,910	8,788	133,698	129,751	-	129,751
Total current assets	652,444	8,788	661,232	642,787	-	642,787
Total assets	795,638	8,788	804,426	789,953	-	789,953

Current liabilities						
Trade and other payables	131,788	(3,060)	128,728	90,689	(11,231)	79,458
Employee benefit obligations and provisions	5,468	11,848	17,316	6,785	11,231	18,016
Total current liabilities	193,887	8,788	202,675	216,100	-	216,100
Total liabilities	341,522	8,788	350,310	307,026	-	307,026
Total equity and liabilities	795,638	8,788	804,426	789,953	-	789,953

Consolidated statement of cash flows	Period ended September 30th 2020	change	Period ended September 30th 2020	Period ended December 31st 2020	change	Period ended December 31st 2020
	before		after	before		after
Change in trade and other receivables	-23,389	8,294	-15,095	-11,391	-	-11,391
Change in trade and other payables	65,983	-9,749	56,234	6,652	(838)	5,814
Change in employee benefit obligations and provisions	2,402	1,455	3,857	4,524	838	5,362
Cash from operating activities	139,610	-	139,610	152,868	-	152,868
Net cash from operating activities	119,051	-	119,051	127,902	-	127,902

4. Amendments to standards and interpretations

The following amendments to existing standards issued by the International Accounting Standards Board (IASB) and endorsed by the EU have been applied for the first time in 2021:

- **Amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 4 *Insurance Contracts*, and IFRS 16 *Leases*** – Interest Rate Benchmark Reform – Phase II, endorsed by the EU on January 13th 2021 (effective for annual periods beginning on or after January 1st 2021).
- **Amendments to IFRS 4 *Insurance Contracts***: Extension of the Temporary Exemption from Applying IFRS 9, endorsed by the EU on December 16th 2020 (the expiry date of the temporary exemption from IFRS 9 was extended from January 1st 2021 for annual periods beginning on or after January 1st 2023).

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

As at the date of authorisation of these financial statements for issue, the following amendments to existing standards were issued by the IASB and endorsed by the EU for application with effect as of a later date.

- **Amendments to IAS 16 *Property, Plant and Equipment*** – Proceeds before Intended Use, endorsed by the EU on June 28th 2021, effective for annual periods beginning on or after January 1st 2022,
- **Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*** – Onerous Contracts – Cost of Fulfilling a Contract, endorsed by the European Union on June 28th 2021, effective for annual periods beginning on or after January 1st 2022,
- **Amendments to IFRS 3 *Business Combinations*** – Reference to the Conceptual Framework (Amendments to IFRS 3), effective for annual periods beginning on or after January 1st 2022,
- **Amendments to various standards provided for in Annual Improvements to IFRS Standards 2018-2020 Cycle** – amendments made as part of the annual IFRS improvements process (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily to correct conflicts and clarify wording, endorsed by the EU on June 28th 2021 (amendments to IFRS 1, IFRS 9 and IAS 41), effective for annual periods beginning on or after January 1st 2022. The amendment to IFRS 16 only regards an illustrative example, so no effective date is stated).

There are no significant differences between the IFRSs as endorsed by the EU and the regulations issued by the International Accounting Standards Board (IASB), with the exception of the following new standards and amendments to standards which were not yet endorsed by the EU as at the issue date of this report (the effective dates given below refer to the final version of the standards):

- **IFRS 14 *Regulatory Deferral Accounts***, effective for annual periods beginning on or after January 1st 2016 – the European Commission has decided not to launch the endorsement process of this interim standard until the final IFRS 14 is issued,
- **IFRS 17 *Insurance Contracts*** as amended, effective for annual periods beginning on or after January 1st 2023,
- **Amendments to IAS 1 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current***, effective for annual periods beginning on or after January 1st 2023,
- **Amendments to IAS 1 *Presentation of Financial Statements – Disclosure of Accounting Policies***, effective for annual periods beginning on or after January 1st 2023,
- **Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*** – Definition of accounting estimates, effective for annual periods beginning on or after January 1st 2023,
- **Amendments to IAS 12 *Income Taxes*** – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after January 1st 2023),
- **Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures: Sales or Contributions of Assets between an Investor and its Associate or Joint Venture, and subsequent amendments***, the effective date postponed until completion of research on the equity method.
- **Amendments to IFRS 16 *Leases***: Covid-19-Related Rent Concessions beyond June 30th 2021 (effective for annual periods beginning on or after April 1st 2021. Earlier application is permitted, including in financial statements not yet authorised for issue on or after the date the amendment is issued).

The Group estimates that none of those new standards or amendments to existing standards would have had a material effect on its financial statements had they been applied at the end of the current period.

5. Significant assessments and estimates

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

6. Seasonality

The sale of spare parts and accessories, which constitutes the principal business activity of the Group, is subject to seasonal fluctuations during the year. Sales are higher during the second and third quarters, with lower sales typically reported in the fourth and first quarters of the year. Higher sales contribute to higher demand for merchandise at points of sale, which results in a seasonal increase in the amount of liabilities in the second and third quarters.

7. Functional and reporting currency

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

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:	September 30th 2021	December 31st 2020
EUR	4.6329	4.6148
CZK	0.1816	0.1753
RON	0.9365	0.9479

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

Average NBP mid rate for reporting period	9 months 2021	9 months 2020
EUR	4.5585	4.4420
CZK	0.1771	0.1677
RON	0.9270	0.9191

Exchange differences on translation of foreign operations are recognised as translation reserve in equity.

8. Revenue

The principal business of the Group is the sale of spare parts and accessories for motor vehicles, therefore the Management Board does not identify separate reportable segments for the purposes of managing the Group's business. The Group does not have key customers and sales to none of the Group's customers exceed 10% of total sales.

	Period ended September 30th 2021	Period ended September 30th 2020
Revenue from sale of merchandise	1,672,932	1,235,579
including:		
<i>Sales of merchandise – Poland</i>	<i>915,811</i>	<i>716,753</i>
<i>Sales of merchandise – EU</i>	<i>745,629</i>	<i>512,851</i>
<i>Sales of merchandise – other exports</i>	<i>11,492</i>	<i>5,975</i>
Revenue from rendering of services	1,601	1,724
including:		
<i>Sales of services – Poland</i>	<i>467</i>	<i>1,206</i>
<i>Sales of services – EU</i>	<i>1,134</i>	<i>518</i>
<i>Rendering of services – other exports</i>	<i>-</i>	<i>-</i>
Total revenue	1,674,533	1,237,303

9. Costs by nature and function of expense

	Period ended September 30th 2021	Period ended September 30th 2020
Depreciation and amortisation	(19,340)	(17,385)
Raw materials and consumables used	(14,126)	(10,175)
Services	(152,715)	(118,625)
Taxes and charges	(1,588)	(1,769)
Employee benefits expense *)	(98,699)	(84,976)
Other costs by nature of expense	(8,341)	(6,801)
Merchandise and materials sold	(1,196,107)	(888,138)
Total costs by nature of expense	(1,490,916)	(1,127,869)
Cost of sales	(1,197,192)	(888,137)
Distribution costs and marketing expenses	(174,473)	(137,054)
Warehousing (logistics) costs	(98,124)	(80,824)
Management and administrative expenses	(21,127)	(21,854)
Total costs by function of expense	(1,490,916)	(1,127,869)

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

Below is presented the effect of the grants received as at September 30th 2021:

	Period ended September 30th 2021	grant amount	Period ended September 30th 2021
	excluding grants		including grants
Depreciation and amortisation	(19,340)		(19,340)
Raw materials and consumables used	(14,126)		(14,126)
Services	(152,715)		(152,715)
Taxes and charges	(1,588)		(1,588)
Employee benefits expense *)	(107,554)	8,855	(98,699)
Other costs by nature of expense	(8,341)		(8,341)
Merchandise and materials sold	(1,196,107)		(1,196,107)
Total costs by nature of expense	(1,499,771)	8,855	(1,490,916)
Cost of sales	(1,197,192)	-	(1,197,192)
Distribution costs and marketing expenses	(178,125)	3,652	(174,473)
Warehousing (logistics) costs	(102,857)	4,733	(98,124)
Management and administrative expenses	(21,597)	470	(21,127)
Total costs by function of expense	(1,499,771)	8,855	(1,490,916)

10. Other net gains (losses)

	Period ended September 30th 2021	Period ended September 30th 2020
Foreign exchange gains or (losses) on operating activities – unrealised	1,351	(377)
Foreign exchange gains or (losses) on operating activities – realised	625	54
Gains/(losses) on impairment of receivables	(586)	(867)
Other	(60)	530
Total other gains (losses), net	1,330	(660)

11. Finance income

	Period ended September 30th 2021	Period ended September 30th 2020
Gains on realised currency forward contracts measured at fair value through profit or loss	-	8
Gains on measurement of currency forward contract assets and liabilities measured at fair value through profit or loss	-	-
Foreign exchange gains on financing activities	-	1
Interest on loans	58	12
Interest on trade receivables	49	46
Other finance income	4	8
Total finance income	111	75

12. Finance costs

	Period ended September 30th 2021	Period ended September 30th 2020
Interest expense:		
Interest on term and overdraft facilities	(1,073)	(1,651)
Interest on non-bank borrowings from related entities	(1,001)	(1,001)
Interest on lease liabilities (other leases)	(1,287)	(1,749)
Interest on lease liabilities (office and warehouse space leases)	(835)	(896)
Interest on factoring liabilities	-	(91)
Other interest expense	(14)	(10)
	<u>(4,210)</u>	<u>(5,398)</u>
Other finance costs:		
Losses on realised currency forward contracts measured at fair value through profit or loss	-	(141)
Losses on measurement of currency forward contract assets and liabilities measured at fair value through profit or loss	-	-
Foreign exchange losses on financing activities	(123)	(1,269)
Credit commissions and fees	(820)	(435)
Factoring commissions and fees	(50)	(87)
Other finance costs	(19)	(63)
	<u>(1,012)</u>	<u>(1,995)</u>
Total finance costs	(5,222)	(7,393)

13. Property, plant and equipment

	As at September 30th 2021	As at December 31st 2020
-		
Land	-	-
Buildings and structures	49,263	45,253
Machinery and equipment	43,520	35,781
Vehicles	11,186	10,287
Other	36,990	35,507
Property, plant and equipment under construction	20,998	5,429
Total carrying amount of property, plant and equipment	161,957	132,257

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 September 30th 2021	As at December 31st 2020
-		
Buildings and structures	46,754	43,063
Machinery and equipment	28,815	23,451
Vehicles	6,961	6,497
Other	20,689	20,747
Property, plant and equipment under construction (i)	18,185	3,524
Total carrying amount of property, plant and equipment under right-of-use arrangements	121,404	97,282
	Period ended September 30th 2021	Period ended September 30th 2020
Buildings and structures	9,001	8,614
Machinery and equipment	3,450	2,231
Vehicles	779	888
Other	867	824
Total depreciation of property, plant and equipment under right-of-use arrangements	14,097	12,557

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

The net carrying amount of property, plant and equipment financed with a borrowing (Note 20) was PLN 45 thousand as at December 31st 2020 and PLN 20 thousand as at September 30th 2021, and was secured with the lender's rights.

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

Movements in property, plant and equipment	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant and equipment	Property, plant and equipment under construction	Total
Gross carrying amount as at December 31st 2019	59,993	45,778	18,498	42,543	1,043	167,855
Increase						
Purchase	475	1,697	-	1,343	1,594	5,109
Accounting for property, plant and equipment under construction – purchase	-	45	-	2	(47)	-
Leases	7,826	8,828	956	2,487	3,524	23,621
Accounting for property, plant and equipment under construction – leases	-	139	-	541	(680)	-
Other	-	-	-	-	(5)	(5)
Decrease						
Disposal	-	(49)	(106)	(204)	-	(359)
Liquidation	-	(42)	(36)	(1)	-	(79)
Other	(152)	(2)	(535)	(1)	-	(690)
Gross carrying amount as at December 31st 2020	68,142	56,394	18,777	46,710	5,429	195,452
Increase						
Purchase	603	2,955	368	1,564	2,276	7,766
Accounting for property, plant and equipment under construction – purchase	-	1,047	-	321	(1,368)	-
Leases	12,692	5,706	2,064	1,825	18,185	40,472
Accounting for property, plant and equipment under construction – leases	-	3,524	-	-	(3,524)	-
Other	-	-	-	-	-	-
Decrease						
Disposal	-	(189)	(425)	(267)	-	(881)

Liquidation	-	-	(104)	-	-	(104)
Other	-	(13)	12	(48)	-	(49)
Gross carrying amount as at September 30th 2021	81,437	69,424	20,692	50,105	20,998	242,656
Accumulated depreciation as at December 31st 2019	11,104	14,959	6,983	8,856	-	41,902
Depreciation in period	11,785	5,742	1,815	2,497	-	21,839
Disposal	-	(47)	(82)	(150)	-	(279)
Liquidation	-	(41)	(15)	-	-	(56)
Other	-	-	(211)	-	-	(211)
Accumulated depreciation as at December 31st 2020	22,889	20,613	8,490	11,203	-	63,195
Depreciation in period	9,285	5,395	1,278	2,023	-	17,981
Disposal	-	(104)	(292)	(111)	-	(507)
Liquidation	-	-	(33)	-	-	(33)
Other	-	-	63	-	-	63
Accumulated depreciation as at September 30th 2021	32,174	25,904	9,506	13,115	-	80,699
Net carrying amount as at December 31st 2020	45,253	35,781	10,287	35,507	5,429	132,257
Net carrying amount as at September 30th 2021	49,263	43,520	11,186	36,990	20,998	161,957

14. Intangible assets

	As at September 30th 2021	As at December 31st 2020
-		
Software	6,304	7,135
Other intangible assets	-	-
Intangible assets under development	9,482	5,591
Total carrying amount of intangible assets	15,786	12,726

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 September 30th 2021	As at December 31st 2020
-		
Software	629	644
Other intangible assets	-	-
Intangible assets under development	-	-
Total carrying amount of right-of-use intangible assets	629	644

	Period ended September 30th 2021	Period ended September 30th 2020
-		
Software	136	89
Other intangible assets	-	-
Total amortisation of right-of-use intangible assets	136	89

Movements in intangible assets	Software	Other intangible assets	Intangible assets under development	Total
Gross carrying amount as at December 31st 2019	16,194	336	3,241	19,771
Increase				
Purchase	2,005		4,078	6,083
Accounting for intangible assets under development – purchase	1,728		(1,728)	-
Leases	408			408
Accounting for intangible assets under development – leases	-	-	-	-
Other	-	-	-	-
Decrease				
Disposal	-	-	-	-
Liquidation	-	-	-	-
Other	-	-	-	-
Gross carrying amount as at December 31st 2020	20,335	336	5,591	26,262
Increase				
Purchase	379		3,919	4,298
Accounting for intangible assets under development – purchase	28		(28)	-
Leases	121			121
Accounting for intangible assets under development – leases				-
Other				-
Decrease				
Disposal				-
Liquidation				-
Other		7		7
Gross carrying amount as at September 30th 2021	20,863	343	9,482	30,688
Accumulated amortisation as at December 31st 2019	11,538	336	-	11,874
Amortisation in period	1,662	-	-	1,662
Disposal	-	-	-	-
Liquidation	-	-	-	-
Other	-	-	-	-
Accumulated amortisation as at December 31st 2020	13,200	336	-	13,536
Depreciation in period	1,359			1,359
Disposal				-
Liquidation				-
Other		7		7
Accumulated amortisation as at September 30th 2021	14,559	343	-	14,902
Net carrying amount as at December 31st 2020	7,135	-	5,591	12,726
Net carrying amount as at September 30th 2021	6,304	-	9,482	15,786

15. Investments in related and other entities

General information on the entities consolidated using the full method is presented below.

Entity	Principal business	Registered office	% ownership interest	
			As at September 30th 2021	As at December 31st 2020
fully consolidated				
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	Romania, Bucharest	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.

16. Other financial assets

	As at September 30th 2021	As at December 31st 2020
Loans measured at amortised cost		
Loans to related entities	-	-
Loans to other entities	23	37
Total	23	37
Long-term	12	30
Short-term	11	7
Total	23	37

On January 11th 2021, the Company entered into an agreement with Global One Automotive GmbH of Frankfurt on extending to it a loan of EUR 525 thousand. The loan bears interest at 4.5%. The agreement was concluded for a definite term until June 18th 2021. The Company holds 6.66% of shares in Global One Automotive GmbH as a participant in the International Purchasing Group (since 2017). The loan was repaid on June 21st 2021.

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

17. Inventories and right-of-return assets

17.1 Inventories

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

	As at September 30th 2021	As at December 31st 2020
Merchandise	651,122	489,093
Write-downs	(9,212)	(7,652)
Total	641,910	481,441

Change in inventory write-downs

	Period ended September 30th 2021	Period ended September 30th 2020
-		
At beginning of period	7,517	8,875
Decrease	(1,398)	(866)
Increase	3,093	2,250
As at end of period	9,212	10,259

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

Inventories pledged as security

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

	As at September 30th 2021	As at December 31st 2020
-		
Liabilities secured with pledge on inventories	142,358	66,809

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

Recognised inventory cost

	Period ended September 30th 2021	Period ended September 30th 2020
-		
Cost of sales	(1,197,192)	(888,137)
Warehousing (logistics) costs	-	-
Distribution costs	(3,393)	(3,795)
Management and administrative expenses	-	-
Total inventory cost recognised	(1,200,585)	(891,932)

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

17.2 Right-of-return assets

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.

	As at September 30th 2021	As at December 31st 2020
Right-of-return assets	14,150	10,211

18. Trade and other receivables

	As at September 30th 2021	As at December 31st 2020
Trade receivables payable up to 12 months	158,790	102,429
Trade receivables payable in more than 12 months	1,764	1,173
Impairment losses on trade receivables	(5,834)	(4,987)
Total trade receivables	154,720	98,615
Expected income from participation in Global One purchasing group (i)	17,156	13,075

Write-down of expected income from participation in the Global One purchasing group	(515)	(405)
Finance lease receivables	8	15
Receivables from card system operators	959	1,067
Rent deposits receivable (ii)	1,685	1,541
Other financial receivables	3,116	1,068
Impairment losses on other receivables	(834)	(882)
Total trade and other financial receivables	176,295	114,094
Prepaid deliveries	10,321	4,819
Receivables on sale of property, plant and equipment	9	1
Prepayments and accrued income	7,229	3,014
VAT tax to be settled in future periods/refunded to bank account	21,723	9,537
Other non-financial receivables	202	329
Total non-financial receivables	39,484	17,700
Total trade and other receivables	215,779	131,794
Other long-term receivables	3,741	2,043
Trade and other receivables	212,038	129,751
Total trade and other receivables	215,779	131,794

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

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

Expected credit losses on trade receivables are recognised as lifetime expected credit losses. To calculate the expected credit losses, the Group uses a provision matrix estimated based on historical payment levels and recoveries from trading partners. The matrix differentiates between the following groups of receivables: not past due receivables, receivables past due for 1-30 days, receivables past due for 31-90 days, receivables past due for 91-120 days, receivables past due for 121-180 days, receivables past due for 181-360 days, and receivables past due for more than 360 days. To determine the level of collectability of trade receivables, the Group takes into account changes in their quality from the credit origination date to the date of preparing the financial statements. Concentration of the credit risk is limited as the customer base is large and there are no links between individual customers.

Amount of credit loss allowance by the past due date groups of receivables

	As at September 30th 2021	As at December 31st 2020
not past due	303	157
past due 1-30 days	28	29
past due 31-90 days	72	79
past due 91-120 days	41	25
past due 121-180 days	120	37
past due 181-360 days	398	435
over 360 days	4,872	4,225
Total impairment losses on trade receivables	5,834	4,987

Change in impairment loss on trade receivables

	Period ended September 30th 2021	Period ended September 30th 2020
At beginning of period	4,987	5,079
Increase (decrease)	847	669
As at end of period	5,834	5,748

Change in impairment loss on other receivables

	Period ended September 30th 2021	Period ended September 30th 2020
At beginning of period	882	552
Increase	60	130
Decrease	(108)	-
As at end of period	834	682

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 September 30th 2021	As at December 31st 2020
Trade and other receivables pledged as security (i)	78,463	51,484

(i) The amount of the registered pledge is the carrying amount of the parent's pledged trade receivables.

19. Share capital

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

	As at September 30th 2021	As at December 31st 2020
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	0.10	0.10
Total par value	13,062	13,062

20. Borrowings

	As at September 30th 2021	As at December 31st 2020
Unsecured – at amortised cost		
Borrowings from related entities	27,701	28,035
	27,701	28,035
Secured – at amortised cost		
Overdraft facilities	75,248	8,438
Bank borrowings	67,115	66,809
Other borrowings	20	45
	142,383	75,292
Total borrowings	170,084	103,327
Current liabilities (vii)	76,384	76,597
Non-current liabilities	93,700	26,730
Total borrowings	170,084	103,327

Credit facility agreements and non-bank borrowings:

	As at September 30th 2021	As at December 31st 2020
ING Bank Śląski S.A./working capital facility under multi-product facility agreement/sub-limit facility within multi-product facility limit (i)	54,916	8,438
ING Bank Śląski S.A./working capital facility under multi-product facility agreement/sub-limit facility within multi-product facility limit: EUR 2,500,000.00 (i)	-	-
ING Bank Śląski S.A./working capital facility /sub-limit facility within multi-product facility limit (i)	67,115	66,809
Santander Bank Polska S.A./working capital facility (ii)	-	-
mBank S.A./working capital facility (iii)	20,327	-
Shareholder loan agreements (iv)	27,701	28,035
UniCredit Leasing a.s./facility to finance purchase of property, plant and equipment (v)	20	45
BNP Paribas Bank Polska S.A./working capital facility (vi)	5	-
Total	170,084	103,327

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

On October 19th 2015, the parent and ING Bank Śląski signed multi-facility agreement No. 882/2015/00000925/00, as amended. Maxgear Sp. z o.o. Sp.kom., a subsidiary, acceded to the agreement as joint and several debtor. The joint and several debtor agreed to pay all liabilities arising from the agreement. The amount of the credit limit is PLN 127,785 thousand, repayable by October 16th 2021. The subsidiary has access to a PLN 10m sublimit as part of the credit facility. As at the reporting date, the subsidiary had drawn PLN 9,558 thousand under the limit. The credit facility is secured with: (a) registered pledge over Auto Partner S.A.'s receivables from domestic customers (the minimum amount of receivables pledged is PLN 40m), (balance-sheet item), (b) registered pledge over inventories (the minimum amount of inventories pledged is PLN 194,970 thousand) of merchandise (car spare parts) owned by Auto Partner S.A., located at ul. Ekonomiczna 20, in Bieruń, Poland (the minimum amount of inventories pledged is PLN 194,970 thousand), along with assignment of rights under an insurance policy, (c) declaration on voluntary submission to enforcement by the Company under Art. 777.1.4 of the Code of Civil Procedure on submission to enforcement under Art. 777.1.4 of the Code of Civil Procedure, concerning the obligation to release the pledged assets (merchandise inventories), (d) declaration on voluntary submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure of up to PLN 194,970 thousand, (e) declaration on voluntary submission to enforcement by Maxgear Sp. z o.o. Sp. kom. under Art. 777.1.5 of the Code of Civil Procedure of up to PLN 194,970 thousand, (f) subordination of borrowings obtained from Katarzyna Górecka and Aleksander

Górecki of up to PLN 26,700,000.00. On October 11th 2021, an annex was signed to the credit facility agreement, whereby the facility limit was amended to PLN 147m and the availability period was extended until October 9th 2024.

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

On September 26th 2016, the parent and Bank Zachodni WBK S.A. signed multi-facility agreement No. K00922/16, as amended. The amount of the multi-facility is PLN 40,000 thousand, repayable by March 31st 2023. Under the facility, PLN 40m is available for use as an overdraft facility and PLN 10m for use as guarantees. The facility is secured with: 1) 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 60,000,000.00; 2) assignment of receivables to the Bank under the insurance policy covering the pledged assets; 3) subordination to claims under a loan provided by Katarzyna Górecka and Aleksander Górecki, with a minimum amount of PLN 26,000,000.00; 4) registered pledge over trade receivables from trading partners, as per the list attached as an appendix to the pledge agreement, with a minimum amount of PLN 12,000,000.00; 5) declaration on voluntary submission to enforcement of the Bank's claims arising under the agreement, made under Art. 777.1 of the Code of Civil Procedure, to be submitted to the Bank.

(iii) Credit facility – mBank S.A.

On October 22nd 2019, the Company and mBank S.A. signed an overdraft facility agreement No. 11/145/19/Z/VV, as amended. The amount of the facility is PLN 25,000,000.00, repayable by September 30th 2022. The credit facility is secured with: (a) a registered pledge over inventories of merchandise with a value of PLN 37,500,000 thousand, (b) assignment of rights under an inventory insurance contract for the pledged inventory, (c) declaration on submission to enforcement by the Company under Art. 777.1.5 of the Code of Civil Procedure, up to PLN 37,500,000 thousand, d) subordination to claims under loan provided by Ms Katarzyna Górecka and Aleksander Górecki, with a minimum amount of PLN 26,000,000.00.

(iv) Shareholder loan

On January 2nd 2014, the parent, Aleksander Górecki and Katarzyna Górecka signed a loan agreement, as amended, with the loan repayable by January 2nd 2024. The borrowing is not secured and bears interest at the rate of 5% per annum. The outstanding principal amount is PLN 26,700,000.00. The carrying amount of the loan as at September 30th 2021 included interest accrued for the period from January 1st 2021 to September 30th 2021, of PLN 1,001,250.00.

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

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

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

On September 13th 2021, a multi-purpose facility agreement was signed with BNP Paribas Bank Polska S.A. of Warsaw. The Company was granted a multi-purpose facility, including an overdraft facility of up to PLN 20,000,000 (twenty million złoty) to finance the day-to-day operations of Auto Partner S.A. Under the facility, a sub-limit of PLN 20,000,000 (twenty million złoty) was provided to Maxgear Sp. z o.o. Sp.k. Security: 1) declaration by Auto Partner S.A. on voluntary submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure in respect of contractual payment obligations, for up to PLN 30,000,000.00, with the time limit for filing a request to issue an enforceability order, in substance acceptable to the Bank, set for September 9th 2034; 2) declaration by Maxgear Sp. z o.o. Sp. kom. on voluntary submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure in respect of contractual payment obligations, for up to PLN 30,000,000.00, with the time limit for filing a request to issue an enforceability order, in substance acceptable to the Bank, set for September 9th 2034; 3) registered pledge with the maximum security amount of PLN 30,000,000.00 over inventories of merchandise held by Auto Partner S.A. in its own and leased locations (not encumbered in favour of another pledgee), in accordance with a separate pledge agreement, with a total value of not less than PLN 24,000,000.00. Until the pledge is created, security in the form of assignment in favour of the Bank of the assets subject to the future pledge will remain in effect; 4) assignment of rights under an insurance policy in favour of the Bank in respect of the pledged assets, with the proviso that the sum insured may not be less than PLN 20,000,000.00; 5) agreement on subordination of the loan advanced by Aleksander Górecki and Katarzyna Górecka under an agreement of January 2nd 2014 of up to PLN 26,000,000.00 to the facility.

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

21. Trade and other payables

21.1 Trade and other payables

	As at September 30th 2021	As at December 31st 2020
Trade payables due in up to 12 months	113,932	73,816
Trade payables due in more than 12 months	-	-
Other taxes payable	5,151	4,071
Liabilities arising from acquisition of property, plant and equipment and intangible assets	1,438	1,453
Other liabilities	25	118
	120,546	79,458
Current liabilities	120,546	79,458
Non-current liabilities	-	-
Total	120,546	79,458

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

21.2 Contract and right-of-return liabilities

	As at September 30th 2021	As at December 31st 2020
Contract liabilities	681	351
Right-of-return liabilities (i)	18,052	12,864
Total	18,733	13,215

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

22. Financial liabilities under lease contracts

Finance liabilities under lease contracts relate mainly to leases of property, plant and equipment (rent/lease of property, warehouse equipment, vehicles). For more information, see Note 13.

IFRS 16 provides for exceptions to the lessee's general lease model for short-term leases (contract term of less than 12 months) and leases of low-value assets. The Group defines as short-term leases contracts made for an indefinite term which may be terminated on a short notice, that is up to 12 months, without any material penalty imposed on the terminating party. The following payments are recognised directly in costs. Costs of some of the lease contracts are re-charged to the cooperating affiliated companies.

	Period ended September 30th 2021	Period ended September 30th 2020
Payments recognised as expenses		
Minimum lease payments (i)	6,092	5,739
Contingent lease payments	-	-
Total	6,092	5,739

(i) including cost of low-value asset leases, which was PLN 537 thousand in the period from January 1st 2020 to September 30th 2020, and PLN 652 thousand in the period from January 1st 2021 to September 30th 2021. PLN. The cost was expensed in the period on a straight-line basis.

23. Employee benefit obligations and provisions

	As at September 30th 2021	As at December 31st 2020
Salaries and wages payable	7,124	5,590
Social security and Employee Capital Plan obligations	7,091	5,641
Provision for accrued holiday entitlements	3,343	2,549
Provision for retirement and disability benefit obligations	741	530
Provision for obligations under the Incentive Scheme for 2020 (i)	-	5,379
Provision for obligations under the Incentive Scheme for 2021 (ii)	1,350	-
Obligation under the Incentive Scheme for 2020 (i)	1,614	-
Obligation under the Incentive Scheme for 2019 (i)	207	625
	21,470	20,314
Long-term employee benefit obligations and provisions	1,204	2,298
Short-term employee benefit obligations and provisions	20,266	18,016
Total	21,470	20,314

	Period ended September 30th 2021	Period ended September 30th 2020
(Recognition) reversal of provision		
Provision for accrued holiday entitlements	(794)	(505)
Provision for retirement and disability benefit obligations	(211)	34
Provision for obligations under the Incentive Scheme for 2019	418	1,929
Provision for obligations under the Incentive Scheme for 2020	3,765	(4,034)
Provision for obligations under the Incentive Scheme for 2021	(1,350)	-
	1,828	(2,576)

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

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

On June 29th 2020, based on the Rules of the Incentive Scheme of April 9th 2019, Resolution No. 3 of the Supervisory Board of April 3rd 2020, the audited full-year consolidated financial statements of the Auto Partner Group for the financial year 2019 as

approved by the Annual General Meeting on June 19th 2020, and the settlement of the business objectives set out in the Rules, the Supervisory Board decided to grant the following bonuses to the Scheme participants, i.e. Andrzej Manowski, Vice President of the Management Board, and Piotr Janta, Vice President of the Management Board:

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

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

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

(ii) On September 10th 2021, the parent’s Supervisory Board passed a resolution to approve the rules of awarding an incentive bonus to members of the Management Board of Auto Partner S.A. for 2021. In connection with early delivery of the 2019–2021 targets set in the Rules of the Incentive Scheme of April 9th 2019, approved by Resolution No. 3 of the Company’s Supervisory Board of April 3rd 2019, in order to ensure continuity of the incentive system for members of the Management Board of Auto Partner S.A. in 2021, with the aim of the scheme being to establish mechanisms to encourage activities that will ensure long-term growth of the shareholder value, reduce turnover of the Company’s management staff, and reward their contribution to the shareholder value growth, the Supervisory Board approved the 2021 terms and conditions for awarding an incentive bonus to Andrzej Manowski, Vice President of the Management Board, of Piotr Janta, Vice President of the Management Board, linked to the amount of consolidated net profit of the Auto Partner Group for the financial year 2021. The total amount of bonuses paid in accordance with the rules set out in the Supervisory Board’s resolution will not exceed PLN 1,440,000 (one million, four hundred and forty thousand zloty). On September 10th 2021, the General Meeting of Maxgear Sp. z o.o. passed a resolution to approve the rules of awarding an incentive bonus for 2021 to the following members of the Management Board of Maxgear Sp. z o.o.: Grzegorz Pal and Arkadiusz Cieplak. Its terms will be the same as those applying to members of the Auto Partner S.A. Management Board. The total amount of bonuses paid under the resolution of the General Meeting to members of the Management Board of Maxgear Sp. z o.o. will not exceed PLN 720,000 (seven hundred and twenty thousand).

24. Financial instruments

	As at September 30th 2021	As at December 31st 2020
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:	202,888	135,493
<i>Cash</i>	26,578	21,377
<i>Trade and other financial receivables</i>	176,287	114,079
<i>Loans</i>	23	37
Measured at fair value through other comprehensive income	-	-
Financial receivables excluded from the scope of IFRS 9 – finance lease receivables	8	15
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>	-	-
<i>Hedging derivatives</i>	-	-
Measured at amortised cost:	286,135	178,947
<i>Trade payables</i>	113,932	73,816
<i>Contract liabilities</i>	681	351
<i>Liabilities arising from acquisition of property, plant and equipment and intangible assets</i>	1,438	1,453
<i>Borrowings</i>	170,084	103,327
Non-IFRS 9 financial liabilities – lease liabilities	100,977	83,599

Fair value

The Group designates 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, the Group did not enter into any currency forwards. As at the reporting date, the Group had no open forward contracts.

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

25. Related-party transactions

Transactions between the parent and its related parties were eliminated on consolidation and are not presented in this note. Detailed information about transactions between the Group and other related parties is presented below.

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

	Period ended September 30th 2021	Period ended September 30th 2020
Sales of goods and services and other income		
entities related to members of the Management Board and the Supervisory Board	-	155
<i>including:</i>		
<i>sales of goods</i>	-	-
<i>re-charge of costs</i>	-	155
members of management boards of subsidiaries	158	7
<i>including:</i>		
<i>sales of goods</i>	28	1
<i>re-charge of costs</i>	130	6
Total	158	162

	Period ended September 30th 2021	Period ended September 30th 2020
Purchase of goods and services and other purchases		
entities related to members of the Management Board and the Supervisory Board	1,103	678
<i>including:</i>		
<i>purchase of services</i>	1,103	678

members of management boards of subsidiaries	158	138
<i>including:</i>		
<i>purchase of services</i>	158	138
Total	1,261	816

Receivables	As at September 30th 2021	As at December 31st 2020
entities related to members of the Management Board and the Supervisory Board	4	4
members of management boards of subsidiaries	3	3
Total	7	7

Liabilities	As at September 30th 2021	As at December 31st 2020
entities related to members of the Management Board and the Supervisory Board	176	100
members of management boards of subsidiaries	8	8
Total	184	108

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

Sales of goods and services and other income	Period ended September 30th 2021	Period ended September 30th 2020
Management Board members	22	25
<i>including:</i>		
<i>re-charge of costs</i>	22	25
Supervisory Board	-	-
<i>including:</i>		
<i>sales of goods</i>	-	-
<i>re-charge of costs</i>	-	-
Total	22	25

Receivables	As at September 30th 2021	As at December 31st 2020
Management Board members	144	46
Supervisory Board	-	-
Total	144	46

Remuneration	Period ended September 30th 2021	Period ended September 30th 2020
Management Board members	3,132	1,734
Members of management boards of subsidiaries	1,659	897
Supervisory Board	91	62
Total	4,882	2,693

	Period ended September 30th 2021	Period ended September 30th 2020
Provision for obligations under the Incentive Scheme (Note 23)		
Management Board members	900	2,607
Members of management boards of subsidiaries	450	1,427
Total	1,350	4,034

	As at September 30th 2021	As at December 31st 2020
Obligation under the Incentive Scheme (Note 23)		
Management Board members	1,177	404
Members of management boards of subsidiaries	644	221
Total	1,821	625

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

	As at September 30th 2021	As at December 31st 2020
Loans		
Shareholder loan (Note 20)	27,368	28,035
Total	27,368	28,035

	Period ended September 30th 2021	Period ended September 30th 2020
Finance costs		
Interest expense recognised	(1,001)	(1,001)
Total	(1,001)	(1,001)

26. Dividend

On March 15th 2021, the Management Board of the Company passed a resolution to request the Annual General Meeting to pay dividend for the financial year 2020. Pursuant to the resolution, the Management Board recommended payment of dividend to the Company's shareholders of PLN 13,062,000 (thirteen million, sixty-two thousand złoty), i.e. PLN 0.10 (ten grosz) per share. The balance of the net profit for the financial year 2020, of PLN 103,002,622.21, is recommended to be allocated to the Company's statutory reserve funds. At the meeting on March 30th 2021, the Supervisory Board gave a positive opinion on the request (Resolution No. 3). At its meeting held on May 27th 2021, the Annual General Meeting passed a resolution granting the request, setting June 7th 2021 as the dividend record date. The dividend was paid on June 15th 2021.

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

Sureties and guarantees provided and received

Bank guarantees:

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

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

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

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

Contingent assets

The Group has the following contingent assets:

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

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

Tax liabilities

The tax regulations in force in Poland are subject to frequent changes, causing significant differences in their interpretation and significant doubts in their application. The tax authorities have control instruments enabling them to verify the tax bases (in most cases for the preceding five financial years) and to impose penalties and fines. As of July 15th 2016, the Tax Code also contains the General Anti-Abuse Clause (GAAR), which is intended to prevent the creation and use of artificial legal structures designed to avoid taxation. The GAAR should be applied both to transactions carried out after its entry into force and to transactions which were carried out before the entry into force of the GAAR but whose benefits have been or are still being realised after the date of its entry into force. Consequently, the determination of tax liabilities may require significant judgement, including with respect to transactions that have already taken place, and the amounts of tax expense presented and disclosed in the financial statements may change in the future as a result of audits by the tax authorities.

Executed agreements

The parent entered into contracts classified as leases under IFRS 16, however the liabilities under the contracts are not disclosed as at the reporting date due to the failure to make the leased assets available for use by the Company by September 30th 2021; the amount of the liability is PLN 9,144 thousand. The leased assets include warehouse racks, vehicles, and computer hardware.

28. Events subsequent to the reporting date

Listed below are significant events identified after the reporting date which do not require any adjustments to be made:

- 1) On October 11th 2021, an annex was signed to multi-product agreement No. 882/2015/00000925/00 with ING Bank Śląski S.A., dated October 19th 2015. Under the annex, the facility limit was amended to PLN 147m and the availability period was extended until October 9th 2024. Security: (a) registered pledge over Auto Partner S.A.'s receivables from domestic customers (balance-sheet item) of up to PLN 225m, (b) registered pledge over inventories of merchandise (car spare parts) owned by Auto Partner S.A., located at ul. Ekonomiczna 20, in Bieruń, Poland, of up to PLN 225m, along with assignment of rights under an insurance policy, (c) declaration on voluntary submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure of up to PLN 225m, (d) 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 225m, (f) subordination of borrowings obtained from Katarzyna Górecka and Aleksander Górecki of up to PLN 26,700,000.00.
- 2) On October 13th 2021, PLN 213 thousand bank guarantee No. DOK4042GWB21KW was executed with respect to a contract for rent of property in Poznań, valid from June 30th 2022 to June 29th 2025, granted within credit limit of the facility provided by Santander Bank Polska S.A.

29. Structure of cash in the statement of cash flows

	As at September 30th 2021	As at September 30th 2020
Cash in hand	1,127	1,081
Cash at banks	20,540	18,516
Cash in transit	4,911	4,741
Other cash	-	4
Total cash and cash equivalents in the consolidated statement of financial position	26,578	24,342
Effect of measurement in foreign currencies on net cash	(24)	-
Total cash and cash equivalents in the consolidated statement of cash flows	26,554	24,342
<i>including restricted cash - Split Payment accounts</i>	<i>4006</i>	<i>4540</i>

30. Income tax

The amount of current income tax liability as at September 30th 2021 was due to a change in the form of monthly advance payments – in the tax year 2021 the parent elected to apply a simplified form of advance income tax payments, in accordance with Art. 25.6 of the Corporate Income Tax Act of February 15th 1992, that is monthly advance payments of 1/12 of the tax payable disclosed in the tax return for 2019.

31. Authorisation for issue

These interim condensed consolidated financial statements of the Group were authorised by the Management Board on November 22nd 2021.

II. Quarterly financial information of the parent for Q3 2021

Interim separate statement of profit or loss and other comprehensive income

Note	for the 3 months ended		for the 9 months ended	
	September 30th 2021 unaudited	September 30th 2020 unaudited	September 30th 2021 unaudited	September 30th 2020 unaudited
Revenue	611,571	470,824	1,674,968	1,239,097
Cost of sales	(441,938)	(345,483)	(1,214,965)	(904,744)
Gross profit (loss)	169,633	125,341	460,003	334,353
Distribution costs and marketing expenses	(65,111)	(49,151)	(172,519)	(136,274)
Warehousing (logistics) costs	(36,455)	(28,343)	(97,933)	(80,597)
Management and administrative expenses	(5,358)	(6,047)	(15,691)	(17,715)
Other gains (losses), net	674	(912)	(54)	(2,479)
Other income	101	89	302	174
Other expenses	(93)	(51)	(366)	(260)
Operating profit (loss)	63,391	40,926	173,742	97,202
Finance income	(243)	5,829	3,038	15,462
Finance costs	(1,995)	(1,626)	(5,404)	(7,379)
Profit (loss) before tax	61,153	45,129	171,376	105,285
Income tax	(11,608)	(8,591)	(32,391)	(20,236)
Net profit (loss)	49,545	36,538	138,985	85,049
Other comprehensive income, net	-	-	-	-
Total other comprehensive income, net	-	-	-	-
TOTAL COMPREHENSIVE INCOME	49,545	36,538	138,985	85,049
Earnings (loss) per share (PLN per share)				
From continuing operations:				
Basic	0.38	0.28	1.06	0.65
Diluted	0.38	0.28	1.06	0.65

Interim separate statement of financial position

Note	As at September 30th 2021 unaudited	As at June 30th 2021 unaudited	As at December 31st 2020 restated	As at September 30th 2020 unaudited restated
ASSETS				
Non-current assets				
Intangible assets	15,783	14,560	12,720	11,792
Property, plant and equipment	160,932	142,382	131,011	128,095
Investments in related entities	30,448	30,448	30,448	30,448
Investments in other entities	110	110	110	110
Other long-term receivables	3,668	2,599	2,122	1,947
Other non-current financial assets	1,418	1,365	-	1,242
Total non-current assets	212,359	191,464	176,411	173,634
Current assets				
Inventories	578,142	558,327	438,720	466,428
Right-of-return assets	14,150	15,471	10,211	10,972
Trade and other receivables	235,257	192,462	157,573	155,820
Other financial assets	4	-	1,321	-
Cash and cash equivalents	19,012	24,657	13,126	16,555
Total current assets	846,565	790,917	620,951	649,775
Total assets	1,058,924	982,381	797,362	823,409
EQUITY AND LIABILITIES				
Equity				
Share capital issued	13,062	13,062	13,062	13,062
Share premium	106,299	106,299	106,299	106,299
Other capital reserves	2,103	2,103	2,103	2,103
Retained earnings	507,804	458,259	381,881	350,866

Total equity	629,268	579,723	503,345	472,330
Non-current liabilities				
Long-term borrowings	93,700	26,700	26,700	93,341
Lease liabilities	68,191	58,908	56,718	51,245
Employee benefit obligations and provisions	1,014	1,024	1,654	1,308
Deferred tax liability	10,651	7,219	8,568	4,777
Total non-current liabilities	173,556	93,851	93,640	150,671
Current liabilities				
Trade and other payables	96,265	124,417	73,908	136,704
Contract and right-of-return liabilities	18,733	20,554	13,215	14,395
Short-term borrowings	66,807	97,978	68,144	1,183
Lease liabilities	32,529	28,353	26,464	29,642
Current tax liability	20,876	16,236	1,415	1,937
Employee benefit obligations and provisions	19,202	20,538	16,536	16,163
Short-term provisions	1,688	731	695	384
Total current liabilities	256,100	308,807	200,377	200,408
Total liabilities	429,656	402,658	294,017	351,079
Total equity and liabilities	1,058,924	982,381	797,362	823,409

Interim separate statement of cash flows

(indirect method)	Note	period ended September 30th 2021 unaudited	period ended September 30th 2020 unaudited restated
Cash flows from operating activities			
Profit before tax		171,376	105,285
Adjustments:			
Depreciation and amortisation		19,114	17,098
Foreign exchange gains/losses		(156)	142
Adjustments for gains/losses on investing activities		154	45
Finance costs recognised in profit or loss		5,255	6,098
Finance income recognised in profit or loss		(26)	(22)
Other adjustments		-	-
Change in inventories		(139,422)	(42,120)
Change in right-of-return assets		(3,939)	(3,444)
Gains on share in profit or loss of related entities		(2,846)	(15,312)
Change in trade and other receivables		(97,756)	(17,986)
Change in trade and other payables		41,635	81,926
Change in contract and right-of-return liabilities		5,518	4,617
Change in employee benefit obligations and provisions		3,019	3,052
Cash from operating activities		1,926	139,379
Income tax paid		(10,848)	(20,545)
Net cash from operating activities		(8,922)	118,834
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(12,090)	(7,399)
Disposal of property, plant and equipment and intangible assets		140	15
Loans		(2,394)	-
Repayment of loans		2,390	-
Receipts from finance lease		179	169
Interest received		65	31
Receipts from forward contracts		-	-
Payments for forward contracts		-	-
Net cash from investing activities		(11,710)	(7,184)
Cash flows from financing activities			
Proceeds from issue of shares		-	-

Expenses related to issue of shares	-	-
Dividend paid	(13,062)	-
Borrowings received	65,599	-
Borrowings repaid	-	(74,765)
Repayment of financing – reverse factoring	-	(14,370)
Repayment of financing – factoring	-	(3,618)
Payments under finance lease contracts	(20,980)	(18,498)
Interest and commissions paid	(4,623)	(6,143)
Other cash used in financing activities – corporate surety	(288)	(287)
Other cash provided by financing activities – corporate surety	22	22
Net cash from financing activities	26,668	(117,659)
Total net cash flows	6,036	(6,009)
Cash and cash equivalents at beginning of period	13,126	22,627
<i>effect of exchange rate fluctuations on cash held</i>	(150)	(63)
Cash and cash equivalents at end of period	18,997	16,655

Interim separate statement of changes in equity

	Share capital issued	Capital from issue of warrants	Share premium	Retained earnings – other	Total
As at December 31st 2019	13,062	2,103	106,299	265,817	387,281
Net profit for period				85,049	85,049
Other comprehensive income for period, net					
Total comprehensive income	-	-	-	85,049	85,049
Dividend paid				-	-
Issue of ordinary shares	-		-		-
As at September 30th 2020 (unaudited)	13,062	2,103	106,299	350,866	472,330
As at December 31st 2019	13,062	2,103	106,299	265,817	387,281
Net profit for period				116,064	116,064
Other comprehensive income for period, net					
Total comprehensive income	-	-	-	116,064	116,064
Dividend paid					
Issue of ordinary shares					
As at December 31st 2020	13,062	2,103	106,299	381,881	503,345
Net profit for period				138,985	138,985
Other comprehensive income for period, net				-	-
Total comprehensive income	-	-	-	138,985	138,985
Dividend paid				(13,062)	(13,062)
Issue of ordinary shares					
As at September 30th 2021 (unaudited)	13,062	2,103	106,299	507,804	629,268

Notes

1. Statement of compliance and basis of preparation

These interim condensed separate financial statements (“financial statements”) of the Company for the nine months from January 1st to September 30th 2021 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 September 30th 2021.

These interim condensed separate financial statements should be read in conjunction with the interim condensed consolidated financial statements of the Group to obtain a full understanding of the Company’s performance and financial position. Pursuant to Par. 62.1 of the Minister of Finance’s Regulation of March 29th 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, the condensed separate notes to the interim condensed separate financial statements contain solely the information and data not included in the interim condensed consolidated financial statements which is relevant for reliable assessment of the Company’s assets, financial condition and financial performance.

The accounting policies applied in the preparation of these separate financial statements are consistent with the policies applied in the preparation of the full-year separate financial statements for the financial year ended December 31st 2020, save for the presentation changes discussed in Note 3.

These interim condensed separate financial statements should be read in conjunction with the audited full-year separate financial statements for the year ended December 31st 2020 prepared in accordance with IFRS.

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

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

These interim separate financial statements of the Company were authorised by the Management Board on November 22nd 2021.

2. Significant assessments and estimates

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

3. Change of accounting policies and presentation

3.1. Changes in accounting policies

The Company did not change its accounting policies.

3.2. Presentation changes

The Company's Management Board made the following presentation change in the reporting period in order to present the Company's financial position in a reliable and faithful manner.

- 1) Change in the presentation of employee benefit obligations, comprising salaries and wages, social security and PPK (Employee Capital Plan) obligations. Before the change, these obligations were presented in the statement of financial position under other liabilities. After the change, they were presented in employee benefit obligations and provisions. Below is presented the effect of the presentation change in the statement of financial position as at September 30th 2020 and December 31st 2020 and in the statement of cash flows for the period ended September 30th 2020.

The Company's Management Board made the following presentation change in 2020 in order to present the Company's financial position in a reliable and faithful manner.

- 1) Change in the presentation of estimates of trade discounts due from suppliers. Before the change, the estimated value of trade discounts from suppliers was presented in the statement of financial position under trade and other payables as a reduction in trade payables. After the change, the estimated amount of trade discounts from suppliers is presented in the statement of financial position under trade and other payables as a decrease in trade payables up to the balance of payables to the supplier as at the reporting date, while the surplus is presented under trade and other receivables as an increase in trade receivables from the supplier. Below is presented the effect of the presentation change in the statement of financial position as at September 30th 2020 and in the statement of cash flows for the period ended September 30th 2020.
- 2) Change in the presentation of share of profit of related entities. Before the change, the share of profit of related entities was presented in the statement of cash flows as a change in trade and other receivables. After the change, the share of profit of related entities is presented as a separate line item in operating activities, with a change in trade and other payables adjusted accordingly in connection with the share of profit due being offset against trade payables owed to the related entity. Presented below is the effect of the presentation change in the statement of cash flows for the period ended September 30th 2020.

Statements of financial position	As at September 30th 2020		change	As at September 30th 2020		As at December 31st 2020		change	As at December 31st 2020	
	before			after		before			after	
Current assets										
Trade and other receivables	147,032		8,788	155,820		157,573		-	157,573	
Total current assets	640,987		8,788	649,775		620,951		-	620,951	
Total assets	814,621		8,788	823,409		797,362		-	797,362	
Current liabilities										
Trade and other payables	139,764		(3,060)	136,704		85,139		(11,231)	73,908	
Employee benefit obligations and provisions	4,315		11,848	16,163		5,305		11,231	16,536	
Total current liabilities	191,620		8,788	200,408		200,377		-	200,377	
Total liabilities	342,291		8,788	351,079		294,017		-	294,017	
Total equity and liabilities	814,621		8,788	823,409		797,362		-	797,362	

Statement of cash flows	Period ended September 30th 2020		change	Period ended September 30th 2020		Period ended December 31st 2020		change	Period ended December 31st 2020	
	before			after		before			after	
Change in trade and other receivables	-23,279		5,293	-17,986		-15,756			-15,756	
Gains on share in profit or loss of related entities	-		-15,312	-15,312		(19,519)		-	-19,519	
Change in trade and other payables	73,362		8,564	81,926		18,819		(838)	17,981	
Change in employee benefit obligations and provisions	1,597		1,455	3,052		3,244		838	4,082	
Cash from operating activities	139,379		-	139,379		151,450		-	151,450	
Net cash from operating activities	118,834		-	118,834		126,503		-	126,503	

4. Transactions with subsidiaries

	Period ended September 30th 2021	Period ended September 30th 2020
Sales of goods and services and other income		
Maxgear Sp. z o.o. Sp. komandytowa	3,758	2,944
<i>including:</i>		
<i>sales of goods</i>	10	2
<i>sales of services</i>	3,357	2,803
<i>re-charge of costs</i>	391	139
AP Auto Partner CZ s.r.o.	12,235	8,855
<i>including:</i>		
<i>sales of goods</i>	12,093	8,745
<i>sales of services</i>	109	94
<i>re-charge of costs</i>	33	16
Maxgear Sp. z o.o.	-	-
AP Auto Partner RO s.r.l.	-	-
Total	15,993	11,799

	Period ended September 30th 2021	Period ended September 30th 2020
Finance income		
Maxgear Sp. z o.o. Sp. komandytowa	2,872	15,335
<i>including:</i>		
<i>share of profit</i>	2,846	15,312
<i>corporate surety</i>	26	23
AP Auto Partner CZ s.r.o.	61	68
<i>including:</i>		
<i>interest on loan advanced</i>	44	41
<i>interest on finance lease</i>	17	27
Maxgear Sp. z o.o.	-	-
AP Auto Partner RO s.r.l.	-	-
Total	2,933	15,403

	Period ended September 30th 2021	Period ended September 30th 2020
Finance costs		
Maxgear Sp. z o.o. Sp. komandytowa	(291)	(288)
<i>including:</i>		
<i>corporate surety</i>	(291)	(288)
AP Auto Partner CZ s.r.o.	-	-
Maxgear Sp. z o.o.	-	-
AP Auto Partner RO s.r.l.	-	-
Total	(291)	(288)

	Period ended September 30th 2021	Period ended September 30th 2020
Purchase of goods and other purchases		
Maxgear Sp. z o.o. Sp. komandytowa	208,037	167,314
<i>including:</i>		
<i>purchase of goods</i>	208,037	167,314
AP Auto Partner CZ s.r.o.	-	-
<i>including:</i>		
<i>purchase of goods</i>	-	-
Maxgear Sp. z o.o.	-	-
AP Auto Partner RO s.r.l.	-	-
Total	208,037	167,314

Receivables	As at September 30th 2021	As at December 31st 2020
Maxgear Sp. z o.o. Sp. komandytowa	19,431	21,163
<i>including:</i>		
<i>trade receivables</i>	<i>1,463</i>	<i>1,644</i>
<i>prepaid deliveries</i>	<i>15,122</i>	<i>-</i>
<i>share of profit receivables</i>	<i>2,846</i>	<i>19,519</i>
AP Auto Partner CZ s.r.o.	16,257	13,618
<i>including:</i>		
<i>trade receivables</i>	<i>14,598</i>	<i>11,878</i>
<i>finance lease receivables</i>	<i>246</i>	<i>419</i>
<i>loan receivables</i>	<i>1,413</i>	<i>1321</i>
Maxgear Sp. z o.o.	-	-
AP Auto Partner RO s.r.l.	-	-
Total	35,688	34,781

Liabilities	As at September 30th 2021	As at December 31st 2020
Maxgear Sp. z o.o. Sp. komandytowa	10,154	12,803
<i>including:</i>		
<i>trade payables</i>	<i>10,154</i>	<i>12,803</i>
AP Auto Partner CZ s.r.o.	-	-
Maxgear Sp. z o.o.	-	-
AP Auto Partner RO s.r.l.	-	-
Total	10,154	12,803

III. Key supplementary information to the consolidated quarterly report

1. The Company and the Group

Overview of the Group

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

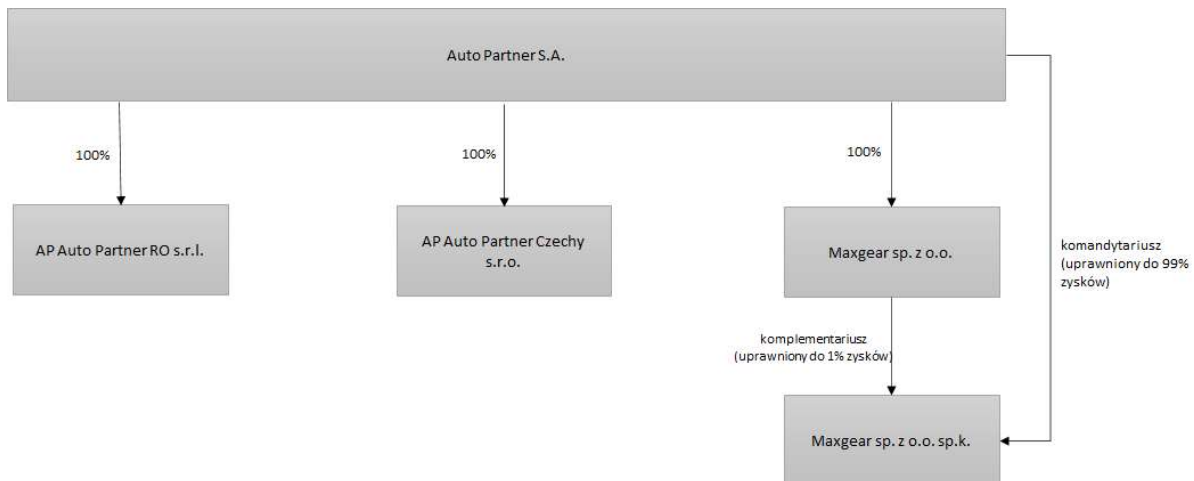
Registered office:	Bieruń
Legal form:	joint stock company
Country of incorporation:	Poland
Address:	ul. Ekonomiczna 20, 43-150 Bieruń
Tel./Fax:	+48 32,325 15 00 / +48 32,325 15 20
Email:	kontakt@autopartner.com
Website:	www.autopartner.com

As at September 30th 2021, 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. The company is wholly owned by the parent, holding 100% of its shares and the right to exercise all voting rights at its General Meeting.

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

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

Maxgear sp. z o.o. sp.k., with its registered office at ul. Ekonomiczna 20, 43-150 Bieruń, Poland, is entered in the Register of Businesses at the National Court Register under No. 0000332893. The Company is its limited partner, with the limited partner's contribution amount of PLN 20,000 and a 99% share of 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. Significant events with material bearing the parent's and the Group's business in and financial results for the nine months ended September 30th 2021

The following events and factors had bearing on the Company's business in and financial results for the nine months ended September 30th 2021:

- On February 26th 2021, the Company filed an application with the Provincial Labour Office in Katowice for grant to subsidise remuneration for employees not covered by any economic downtime or reduced amount of working time, due to the decline in turnover caused by the COVID-19 pandemic. The application was submitted pursuant to Art. 15gg of the Act on special arrangements to prevent, counteract and combat COVID-19, other infectious diseases and crisis situations caused by them, dated March 2nd 2020 (Dz. U. of 2020s, item 374, as amended). The reason for the application was a 29.30% decline in sales recorded by the Company in the period from March 18th 2020 to April 16th 2020 relative to the comparative 30-day period of the previous year. In accordance with the application, the grants were used to pay employee remuneration and social security contributions for February, March and April 2021. Following full settlement of the application, the final amount of the grant totalled PLN 8,855,188.20.
- In the second quarter of 2021, the space leased at a warehousing and logistics centre in Pruszków was increased by an additional 3,807 m² of warehousing space and 490 m² of office space under an annex to the lease contract with MLP PRUSZKÓW IV of October 20th 2020.
- Rules of awarding an incentive bonus to 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. In connection with early delivery of the 2019–2021 targets set in the Rules of the Incentive Scheme of April 9th 2019, approved by Resolution No. 3 of the Company's Supervisory Board of April 3rd 2019, in order to ensure continuity of the incentive system for members of the Management Board of Auto Partner S.A. in 2021, with the aim of the scheme being to establish mechanisms to encourage activities that will ensure long-term growth of the shareholder value, reduce turnover of the

Company's management staff, and reward their contribution to the shareholder value growth, the Supervisory Board approved the 2021 terms and conditions for awarding an incentive bonus to Andrzej Manowski, Vice President of the Management Board, of Piotr Janta, Vice President of the Management Board, linked to the amount of consolidated net profit of the Auto Partner Group for the financial year 2021. The total amount of bonuses paid in accordance with the rules set out in the Supervisory Board's resolution will not exceed PLN 1,440,000 (one million, four hundred and forty thousand złoty).

- The rules of awarding an incentive bonus to the following members of the Management Board of Maxgear Sp. z o.o., approved by the General Meeting of Maxgear Sp. z o.o. on September 10th 2021: Grzegorz Pal and Arkadiusz Cieplak. Its terms will be the same as those applying to members of the Auto Partner S.A. Management Board. The total amount of bonuses paid under the resolution of the General Meeting to members of the Management Board of Maxgear Sp. z o.o. will not exceed PLN 720,000 (seven hundred and twenty thousand).
- 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 will ensure long-term growth of the shareholder value, reduce turnover of the Company's management staff, and reward their contribution to the shareholder value growth. 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.
- Annex signed on September 10th 2021 to the multi-line agreement with Santander Bank Polska Spółka Akcyjna of Warsaw of September 26th 2016 (as amended). The annex increased the multi-line limit (including the overdraft facility limit) from PLN 30,000,000 (thirty million złoty) to PLN 40,000,000 (forty million złoty), with the facility to be used to finance the day-to-day operations of Auto Partner S.A.
- Multi-purpose facility agreement signed with BNP Paribas Bank Polska S.A. of Warsaw on September 13th 2021. The Company was granted a multi-purpose facility, including an overdraft facility of up to PLN 20,000,000 (twenty million złoty) to finance the day-to-day operations of Auto Partner S.A. Under the facility, a sub-limit of PLN 20,000,000 (twenty million złoty) was provided to Maxgear Sp. z o.o. Sp.k.
- Management Board's decision of September 22nd 2021 to establish a new logistics and warehousing centre at MLP Poznań West in Poznań with an area of approximately 13,650 m² (storage, maintenance and utility space) and no less than 700 m² (office and staff amenity space). To implement the decision, the Company entered into a warehouse space lease contract with MLP Poznań West II Sp. z o.o. of Pruszków. Under the contract, the lessor will deliver the leased space to Auto Partner S.A. by July 29th 2022. Work to place the warehousing centre in service is expected to end in the second half of 2022. These steps will enable the Auto Partner Group to maintain revenue growth by expanding the scale of its operations and by further improving the conditions of business cooperation with its customers and suppliers of automotive parts.
- The number of branches increased to 103 after 11 new branches opened in the nine months to September 30th 2021.
- Continuation of the pricing policy aimed at maintaining a higher gross margin than before the coronavirus pandemic.
- Continuation of the policy of strict cost discipline.
- Maintaining relatively low debt (with net debt to EBITDA below 1.0), which, combined with the additional positive effect of the lowest ever interest rates, resulted in a 22% year-on-year decrease in interest expense.

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

During the reporting period, a non-recurring event with a bearing on operating results was the assistance from the Guaranteed Employee Benefits Fund to co-finance the remuneration of employees not covered by a furlough, economic downtime or reduced working time due to a decline in economic turnover following the occurrence of COVID-19, as described in Section 3.

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.

In April 2021, the registered office of AP Auto Partner RO s.r.l. of Romania was moved from Timișoara to Bucharest.

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 2021.

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

In the period from the issue of the consolidated half-year report for the six months ended June 30th 2021, i.e. September 16th 2021, to the date of issue of this report, i.e. November 23rd 2021, there have been no changes in the major holdings of Company shares.

To the Company's best knowledge, the shareholders holding 5% or more of total voting rights as at November 23rd 2021, i.e. the issue date of this report, were:

Shareholder	Number of shares held	Number of votes at GM	% ownership interest	Percentage of total voting rights held
Aleksander Górecki	29,883,577	29,883,577	22.878%	22.878%
Katarzyna Górecka	35,060,681	35,060,681	26.841%	26.841%
AEGON Otwarty Fundusz Emerytalny	6,700,000	6,700,000	over 5%*	over 5%*
Otwarty Fundusz Emerytalny Złota Jesień (OFE PZU)	8,617,124	8,617,124	over 5%**	over 5%**
Nationale Nederlanden Powszechno Towarzystwo Emerytalne S.A.	8,170,536	8,170,536	over 5%***	over 5%***

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

** 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.

*** Nationale - Nederlanden Powszechno Towarzystwo Emerytalne S.A., through the following funds under its management: Nationale - Nederlanden Otwarty Fundusz Emerytalny and Nationale - Nederlanden Dobrowolny Fundusz Emerytalny, notified the Company on January 8th 2018 that it had exceeded the 5% threshold of the share capital and total voting rights at the General Meeting; its holding, according to the Company's calculations based on the current share capital amount, currently represents 6.279% 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 consolidated half-year report for the six months ended June 30th 2021, i.e. September 16th 2021, to the date of issue of this report, i.e. November 23rd 2021, there have been no changes in the holdings of Company shares held by the Company's management and supervisory staff.

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

Full name	Position	Number of Company shares held	Par value of the shares (PLN)
Aleksander Górecki	President of the Management Board	29,883,577	2,988,357.70
Andrzej Manowski	Vice President of the Management Board	375,000	37,500.00
Piotr Janta	Vice President of the Management Board	210,000	21,000.00
Jarosław Plisz	Chairperson of the Supervisory Board	20	2.00
total:		30,468,597	3,046,859.70

Source: the Group.

9. Material court, arbitration and administrative proceedings

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

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

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

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, the Group's core market is the domestic market. However, the share of revenue generated by export sales, executed mainly through deliveries directly from the central warehouse, is growing. The Group currently supplies to customers in Germany, Austria, the Czech Republic, Slovakia, Hungary, Romania, Slovenia, Croatia, Serbia, Bosnia and Herzegovina, Lithuania, Latvia, Estonia, Ukraine, Russia, the Netherlands, Belgium, Luxemburg, Denmark, Finland, France and Italy.

Revenue structure by domestic and export sales:

Period ended September 30th

	2021		2020	
	PLN'000	share [%]	PLN'000	share [%]
Sales of merchandise – Poland	915,811	54.7%	716,753	57.9%
Sales of merchandise – EU	745,629	44.5%	512,851	41.4%
Sales of merchandise – other exports	11,492	0.7%	5,975	0.5%
Sales of services – Poland	467	0.0%	1,206	0.1%
Sales of services – EU	1,134	0.1%	518	0.0%
Total	1,674,533	100%	1,237,303	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 nine months ended September 30th 2021

In the nine months ended September 30th 2021, the Group recorded a 35.3% year-on-year increase in sales. The increase was driven to a greater extent by higher foreign sales (+46.0%), although in Poland the growth rate was also high (+27.6%). The higher rate of sales growth relative to comparative periods was attributable to a lower base following revenue declines in the period from March to May 2020 (on a year-to-year basis), due to measures taken by European countries' governments to fight the coronavirus pandemic.

Gross margin remained at high levels recorded in the previous quarters and was on a par year on year (28.5% vs 28.2%), despite further increase in the share of export sales with lower gross margin, but also lower operating expenses.

The increase in profitability at the operating level is largely the result of the above-mentioned marked increase in gross margin. In addition, cost discipline was maintained at all times and operating leverage was used once the pandemic-related restrictions had been lifted.

What further reduced operating expenses and increased EBIT were grants of PLN 8,855 thousand from the Provincial Labour Office of Katowice to subsidise salaries of employees not covered by any furlough, economic downtime or reduced amount of working time, due to the decline in turnover caused by the COVID-19 pandemic. The grants were received under Art. 15gg of the Act on special arrangements to prevent, counteract and combat covid-19, other infectious diseases and crisis situations caused by them, dated March 2nd 2020 (Dz.U. of 2020, item 374, as amended).

Apart from the factors described above, the improvement in gross and net margins was supported by lower finance costs, which fell due to a drop in interest expense (reflecting a relatively low debt level and the lowest ever interest rates) and absence of any significant exchange differences on financing activities.

As a result of the above factors, in the nine months ended September 30th 2021 the Group reported a net profit of PLN 144.4m (PLN 81.9m in the corresponding period of the previous year), up by 76.4% year on year.

Financial metrics

In its day-to-day operations the Group uses profitability metrics, efficiency metrics, debt ratios and liquidity ratios. The metrics, presented below, are alternative performance measures (APMs). The Company believes that they provide material information on the Group's financial position, operating efficiency, profitability and cash flows. The APMs should be viewed as additional information and analysed in conjunction with the Group's consolidated financial statements, as they facilitate an analysis and

assessment of the Group's financial results in each reporting period. They also provide useful information about the Group's financial position and, in the Company's opinion, enable an optimum assessment of the financial results achieved by the Group.

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

Attention should be paid to the effect of change in the presentation of estimates of trade discounts due from suppliers, as described in Note 3.2 to the Interim Condensed Consolidated Financial Statements of Auto Partner S.A., on the value of trade receivables and payables, and thus on the value of selected ratios. 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.

Profitability metrics

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

	For the period ended September 30th consolidated financial statements		
	2021	2020	2019
	PLN'000	PLN'000	PLN'000
EBITDA (PLN '000) ¹	203,364	126,051	67,013
Gross margin (%) ²	28.5	28.2	25.7
EBITDA margin (%) ³	12.1	10.2	6.0
EBIT margin (%) ⁴	11.0	8.8	5.7
Pre-tax profit margin (%) ⁵	10.7	8.2	5.0
Net profit margin (%) ⁶	8.6	6.6	4.0

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 the period ended September 30th consolidated financial statements		For year consolidated financial statements	
	2021	2020	2020	2019
	PLN'000	PLN'000	PLN'000	PLN'000
ROE ⁷ (%)	35.2	26.4	25.9	17.1
ROA ⁸ (%)	20.7	14.0	14.4	8.6

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			
	September 30th 2021	September 30th 2020	December 31st 2020	December 31st 2019
	days	days	days	days
Inventory turnover period (days) ^{1*}	131	150	147	152
Average collection period (days) ²	28	28	27	26
Average payment period (days) ³	26	38	28	35
Cash conversion cycle ⁴	132	140	146	143

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			
	September 30th 2021	September 30th 2020	December 31st 2020	December 31st 2019
	PLN'000	PLN'000	PLN'000	PLN'000
Total debt ratio (%) ¹	43.0	43.5	38.9	50.3
Long-term debt ratio (%) ²	16.0	18.4	11.5	20.9
Short-term debt ratio (%) ³	27.0	25.2	27.4	29.4
Equity-to-debt ratio (%) ⁴	132.6	129.6	157.3	98.9

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		
	September 30th 2021	December 31st 2020	December 31st 2019
	PLN'000	PLN'000	PLN'000
Current ratio ¹	3.07	2.97	2.79
Quick ratio ²	0.82	0.70	0.66
Cash ratio ³	0.09	0.10	0.12

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 September 30th 2021	As at December 31st 2020
Number of employees	2,096	1,782

Source: the Group.

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

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

- Establishment of a new logistics and warehousing centre in Poznań, contemplated establishment of another logistics and warehousing centre, planned expansion of storage space in Bieruń.
- Implementation of the rules of awarding an incentive bonus to members of the Management Board of Auto Partner S.A. for 2021 approved by a resolution of the Supervisory Board of the Company on September 10th 2021, as described in Section 3 hereof.
- Implementation of the rules of awarding an incentive bonus to members of the Management Board of Maxgear Sp. z o.o., approved by the General Meeting of Maxgear Sp. z o.o. on September 10th 2021, as described in Section 3 hereof.
- Implementation of the Rules of the 2022–2024 Incentive Scheme for members of the Management Board of Auto Partner S.A. for 2021 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, as described in Section 3 hereof.
- Development of the coronavirus pandemic in Poland and globally. As at the issue date of this report, the Company did not identify any complications in the conduct of its business. However, given the continuing pandemic, as the main risk factors resulting from the epidemic and the measures taken to bring it to an end, the Company identifies the risk of reduced purchasing power of consumers and a decrease in consumers' mobility as a result of travel restrictions, as well as the risk of obstacles at country borders, which may affect transport to foreign customers. The Management Board believes that the coronavirus pandemic and its consequences in Poland and globally, that is the possible reinstatement of restrictions by national governments, may affect the Company's and the Group's business, growth opportunities and financial condition. Given the situation, since mid-March 2020 the Management Board has been monitoring the economic and financial position of the Auto Partner Group. The Company takes a number of measures to protect health and safety of its employees and customers, as well as measures aimed at minimising the economic impact of the pandemic. Given the continuing high level of uncertainty about the development of the situation, both on the domestic and global markets, it is not possible to estimate the pandemic's impact on the Group's results. Further development of the pandemic is highly unpredictable, and therefore the situation may change in the coming quarters.

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 October 11th 2021, the Company and ING Bank Śląski S.A. of Katowice signed an annex to the multi-product agreement of October 19th 2015. Pursuant to the annex, the availability period of the facility granted under the multi-product agreement was extended until October 9th 2024, and the facility limit was raised to PLN 147,000,000. The annex also amended the sub-limits, raised the amount of required security, bringing it up to the increased amount of the multi-product limit, and reduced certain fees and commissions. Proceeds of the facility will be used to finance the Company's working capital in connection with continued fast growth of Auto Partner S.A.

This quarterly financial report was authorised for issue by the Management Board on November 22nd 2021.

Signatures of Management Board Members

Aleksander Górecki – President of the Management Board Andrzej Manowski – Vice President of the Management Board

Piotr Janta – Vice President of the Management Board

Signature of the person responsible for accounting records

Kamila Obłodecka Pieńkosz – Chief Accountant