Quarterly Report of the Auto Partner Group for Q3 2023

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This Quarterly Report of the Auto Partner Group for Q3 2023 contains the interim condensed consolidated financial statements of the Group. This document also includes the quarterly financial information of the parent in accordance with Par. 62.1 of the Regulation of the Minister of Finance of March 29th 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state.

I. Interim condensed consolidated financial statements

Interim consolidated statement of comprehensive income

	Note	for 3 months ended September 30th 2023	for 3 months ended September 30th 2022	for 9 months ended September 30th 2023	for 9 months ended September 30th 2022
STATEMENT OF PROFIT OR LOSS		unaudited figures	unaudited figures	unaudited figures	unaudited figures
Revenue from contracts with customers	7	956,274	751,215	2,731,459	2,097,734
Cost of sales	8	(685,177)	(531,817)	(1,987,188)	(1,474,908)
Gross profit		**271,097**	**219,398**	**744,271**	**622,826**
Distribution costs and marketing expenses	8	(104,548)	(90,511)	(299,576)	(246,525)
Warehousing costs	8	(59,794)	(43,207)	(173,966)	(131,763)
Management and administrative expenses	8	(11,957)	(13,176)	(34,498)	(36,008)
Other gains (losses), net	9	(3,469)	3,031	1,694	3,918
Other income		36	391	140	613
Other expenses		(474)	(304)	(1,067)	(901)
Operating profit		**90,891**	**75,622**	**236,998**	**212,160**
Finance income	10	(2,379)	41	492	181
Finance costs	11	(7,218)	(9,189)	(23,050)	(18,865)
Profit before tax		**81,294**	**66,474**	**214,440**	**193,476**
Income tax	12	(15,645)	(12,729)	(41,621)	(36,972)
Net profit		**65,649**	**53,745**	**172,819**	**156,504**
OTHER COMPREHENSIVE INCOME					
Exchange differences on translation of foreign operations		(215)	(335)	28	(502)
Other comprehensive income that will be reclassified to profit or loss		**(215)**	**(335)**	**28**	**(502)**
Other comprehensive income, net		**(215)**	**(335)**	**28**	**(502)**
TOTAL COMPREHENSIVE INCOME		**65,434**	**53,410**	**172,847**	**156,002**
Net profit attributable to:					
Owners of the parent		65,649	53,745	172,819	156,504
Total comprehensive income attributable to:					
Owners of the parent		65,434	53,410	172,847	156,002
Earnings per share (PLN per share)					
From continuing operations:					
Basic		0.50	0.41	1.32	1.20
Diluted		0.50	0.41	1.32	1.20

Interim consolidated statement of financial position

	Note	As at September 30th 2023	As at June 30th 2023	As at December 31st 2022	As at September 30th 2022
ASSETS		unaudited figures	unaudited figures		unaudited figures
Non-current assets					
Intangible assets	14	33,628	31,535	27,043	24,877
Property, plant and equipment	13	267,982	266,704	251,080	248,243
Investments in other entities	15	110	110	110	110
Other long-term receivables	18	4,625	4,226	4,299	4,082
Other non-current financial assets	16	-	-	-	1
Deferred tax assets		1,647	1,583	2,158	1,071
Total non-current assets		**307,992**	**304,158**	**284,690**	**278,384**
Current assets					
Inventories	17.1	962,394	973,600	955,730	860,638
Contract asset	17.2	18,946	20,205	13,584	15,391
Trade and other receivables	18	329,770	289,456	281,343	266,370
Other financial assets	16	1	105	4	4
Current tax assets	12	-	451	-	-
Cash and cash equivalents		33,746	27,900	34,931	30,522
Total current assets		**1,344,857**	**1,311,717**	**1,285,592**	**1,172,925**
Total assets		**1,652,849**	**1,615,875**	**1,570,282**	**1,451,309**
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 components of equity		1,099	1,314	1,071	916
Retained earnings		875,618	809,969	722,392	671,628
Equity attributable to owners of the parent		**996,078**	**930,644**	**842,824**	**791,905**
Total equity	19	**996,078**	**930,644**	**842,824**	**791,905**
Non-current liabilities					
Long-term borrowings	20	84,409	77,000	138,700	123,700
Lease liabilities	22	105,798	109,846	112,595	116,916
Employee benefit obligations and provisions	23	2,182	2,143	2,661	1,946
Deferred tax liability		20,581	10,988	15,440	9,051
Total non-current liabilities		**212,970**	**199,977**	**269,396**	**251,613**
Current liabilities					
Trade and other payables	21.1	218,491	231,812	130,215	134,100
Contract liabilities	21.2	26,460	28,812	19,311	21,924
Short-term borrowings	20	111,416	132,951	210,616	155,329
Lease liabilities	22	37,747	37,977	39,021	40,110
Current tax liability	12	9,591	13,695	19,475	20,299
Employee benefit obligations and provisions	23	30,714	32,460	32,572	28,820
Short-term provisions		9,382	7,547	6,852	7,209
Total current liabilities		**443,801**	**485,254**	**458,062**	**407,791**
Total liabilities		**656,771**	**685,231**	**727,458**	**659,404**
Total equity and liabilities		**1,652,849**	**1,615,875**	**1,570,282**	**1,451,309**

Interim consolidated statement of cash flows

indirect method	Note	for 9 months ended September 30th 2023	for 9 months ended September 30th 2022
		unaudited figures	unaudited figures
Cash flows from operating activities			
Profit before tax		**214,440**	**193,476**
Adjustments:			
Depreciation and amortisation		31,615	23,703
Foreign exchange gains/losses		(876)	1,259
Adjustments for gains/losses on sale of non-current assets		161	44
Other adjustments with cash flows from financing or investing activities		(104)	(79)
Finance costs recognised in profit or loss		22,652	16,300
Change in inventories		(6,664)	(122,132)
Change in contract asset		(5,362)	(4,532)
Change in trade and other receivables		(49,128)	(25,534)
Change in trade and other payables		87,818	38,968
Change in contract liabilities		7,149	6,331
Change in employee benefit obligations and provisions		193	5,389
Cash from operating activities		**301,894**	**133,193**
Income tax paid		(46,061)	(43,697)
Net cash from operating activities		**255,833**	**89,496**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(30,383)	(28,318)
Disposal of property, plant and equipment and intangible assets		124	79
Loans		(3,537)	(3,400)
Repayment of loans		3,540	3,611
Receipts from lease		-	5
Interest received		104	80
Net cash from investing activities		**(30,152)**	**(27,943)**
Cash flows from financing activities			
Dividend paid		(19,593)	(19,593)
Borrowings received		-	16,412
Borrowings repaid		(153,753)	-
Payment of lease liabilities		(31,700)	(28,886)
Interest and commissions paid		(21,833)	(16,061)
Net cash from financing activities		**(226,879)**	**(48,128)**
Total net cash flows		**(1,198)**	**13,425**
Cash and cash equivalents at beginning of period		34,931	16,936
Effect of exchange rate movements on net cash in foreign currencies		13	161
Cash and cash equivalents at end of period		**33,746**	**30,522**

Interim consolidated statement of changes in equity

	Share capital issued	Capital from issue of warrants	Share premium	Retained earnings	Translation reserve	Total equity
As at December 31st 2021	**13,062**	**2,103**	**106,299**	**534,717**	**(685)**	**655,496**
Net profit for period				156,504		**156,504**
Other comprehensive income for period, net					(502)	**(502)**
Total comprehensive income				**156,504**	**(502)**	**156,002**
Dividend paid				(19,593)		**(19,593)**
As at September 30th 2022 (unaudited)	**13,062**	**2,103**	**106,299**	**671,628**	**(1,187)**	**791,905**
As at December 31st 2021	**13,062**	**2,103**	**106,299**	**534,717**	**(685)**	**655,496**
Net profit for period				207,268		**207,268**
Other comprehensive income for period, net					(347)	**(347)**
Total comprehensive income				**207,268**	**(347)**	**206,921**
Dividend paid				(19,593)		**(19,593)**
As at December 31st 2022	**13,062**	**2,103**	**106,299**	**722,392**	**(1,032)**	**842,824**
Net profit for period				172,819		**172,819**
Other comprehensive income for period, net					28	**28**
Total comprehensive income				**172,819**	**28**	**172,847**
Dividend paid				(19,593)		**(19,593)**
As at September 30th 2023 (unaudited)	**13,062**	**2,103**	**106,299**	**875,618**	**(1,004)**	**996,078**

Notes

1. General information

The Parent

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

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

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

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

Aleksander Górecki – President of the Management Board,

Andrzej Manowski – Vice President of the Management Board,

Piotr Janta – Vice President of the Management Board,

Tomasz Werbiński – Member of the Management Board.

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

Jarosław Plisz – Chair of the Supervisory Board,

Bogumił Woźny – Deputy Chair of the Supervisory Board, Andrzej Urban – Member of the Supervisory Board,

Bogumił Kamiński – Member of the Supervisory Board,

Mateusz Melich – Member of the Supervisory Board.

Commercial proxy

Grzegorz Lenda – joint commercial proxy.

Qualified Auditor

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., with its registered office at ul. Polna 11, Warsaw.

Listing venue

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

The structure of the Company's share capital as at September 30th 2023 is presented below.

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

The Group

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

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

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

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

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

Entity	**Principal business**	**Registered office**	**% ownership interest**	
			As at September 30th 2023	**As at December 31st 2022**
Maxgear Sp. z o.o. Sp. komandytowa	sale of spare parts and accessories for motor vehicles	Bieruń, Poland	100%*	100%*
Maxgear Sp. z o.o.	sale of spare parts and accessories for motor vehicles	Poland, Tychy	100%	100%
AP Auto Partner CZ s.r.o.	sale of spare parts and accessories for motor vehicles	Prague, Czech Republic	100%	100%
AP Auto Partner RO s.r.l.	sale of spare parts and accessories for motor vehicles	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.

2. Statement of compliance and basis of accounting

These unaudited interim condensed consolidated financial statements ("financial statements") of the Group for the nine months from January 1st to September 30th 2023 and for the corresponding period of the previous year have been prepared in accordance with IAS 34 Interim Financial Reporting and all accounting standards applicable to interim financial reporting adopted by the European Union, issued and effective as at September 30th 2023.

The accounting policies applied in the preparation of these condensed consolidated financial statements are consistent with the policies applied in the preparation of the full-year consolidated financial statements for the financial year ended December 31st 2022.

These interim condensed consolidated financial statements should be read in conjunction with the audited full-year consolidated financial statements for the year ended December 31st 2022 prepared in accordance with IFRS.

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

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

3. Amendments to standards and interpretations

The following amendments to existing standards issued by the International Accounting Standards Board (IASB) and endorsed by the EU have been applied for the first time in 2023:

IFRS 17 *Insurance Contracts* and amendments to IFRS 17
IFRS 17 *Insurance Contracts* was issued by the International Accounting Standards Board on May 18th 2017, and amendments to IFRS 17 were issued on June 25th 2020. IFRS 17 *Insurance Contracts* will replace existing IFRS 4, which provides for diverse practices in accounting for insurance contracts. The new standard will substantially change the accounting practices of all entities that deal with insurance contracts and investment agreements. However, the scope of the standard is not limited to insurance companies only, and contracts concluded by entities other than insurance companies may also include a component that meets the definition of an insurance contract (as defined in IFRS 17).

Amendment to IFRS 17 *Insurance Contracts*
The amendment relates to transition requirements following the initial application of IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments. The purpose of the amendment is to ensure the usefulness of financial information for investors during the period of initial application of the new standard by introducing certain expedients with respect to the presentation of comparative data. The amendment relates to the application of the new standard IFRS 17 only – it does not affect any other requirements of IFRS 17.

Amendment to IAS 1 *Presentation of Financial Statements* and the IASB Practice Statement on Disclosure of Accounting Policies
The amendment to IAS 1 requires entities to disclose their material accounting policy information, which is defined in the Standard. It clarifies that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements. In addition, the IASB's guidance was amended with respect to the application of the materiality concept in practice, to provide guidance on the application of the materiality concept to accounting policy disclosures.

Amendment to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*
In February 2021, the IASB issued an amendment to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* as regards the definition of accounting estimates. The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates.

Amendments to IAS 12 *Income Taxes*
The amendments to IAS 12, issued in 2021, clarify how to account for deferred tax on transactions such as leases and decommissioning obligations. Prior to the amendment, there was uncertainty as to whether the recognition of equal amounts of assets and liabilities for accounting purposes (e.g., initial recognition of leases) which does not affect current tax settlements necessitates the recognition of deferred taxes or whether the initial recognition exemption, according to which deferred taxes are

not recognised if the recognition of an asset or liability does not affect profit or loss at the time of recognition, applies. The amended IAS 12 deals with this matter by requiring the recognition of deferred tax in the above situation, introducing an additional provision stating that the initial recognition exemption does not apply if the entity simultaneously recognises the asset and the equivalent liability and each of them gives rise to temporary differences.

Amendments to IAS 12 *Income Taxes: Global Minimum Tax* (Pillar Two)
In May 2023, the IASB published amendments to IAS 12 *Income Taxes* in response to the Organisation for Economic Cooperation and Development's (OECD) Pillar Two global minimum tax regulations, released as part of its international tax reform. The amendments provide for a temporary exception to the requirement to account for deferred tax assets and liabilities arising under tax law adopted to implement Pillar Two model rules. Entities may apply the amended IAS 12 immediately, with certain disclosures required for annual periods beginning on or after January 1st 2023. As at the date of these financial statements, the amendments were not yet endorsed by the European Union.

The amendments listed above did not have any material effect on the financial statements.

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

Amendment to IFRS 16 *Leases*
In September 2022, the IASB issued amendments to IFRS 16 *Leases* to clarify certain issues concerning subsequent measurement of a lease liability in the case of sale and leaseback transactions which satisfy the criteria under IFRS 15 to be accounted for as a sale. The amendments require that a seller-lessee subsequently measure lease liabilities arising in leasebacks in such a way as not to recognise any gain or loss relating to the right of use it retains. The new requirement is of particular importance where a leaseback involves variable payments that do not depend on an index or rate, as under IFRS 16 such payments are not 'lease payments'. The amended standard includes a new example that illustrates the application of the new requirement in such situations. The amendment applies from January 1st 2024. As at the date of these financial statements, the amendments were not yet endorsed by the European Union.

Amendments to IAS 1 *Presentation of Financial Statements*
In 2020, the IASB published amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. In October 2022, the Board issued further amendments to IAS 1, which address the classification of liabilities as con-current and current, for which an entity is required to meet certain contractual covenants. The amended IAS 1 provides that liabilities are classified as current or non-current depending on the rights existing at the end of the reporting period. The classification does not depend on the entity's expectations or events after the reporting date (for example, waiver or breach of a covenant). The amendments are effective for financial statements for periods beginning on or after January 1st 2024. As at the date of these financial statements, the amendments were not yet endorsed by the European Union.

Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures – Supplier Finance Arrangements*
In May 2023, the IASB published amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*. The amendments introduce disclosure requirements for supplier finance arrangements, whereby specific disclosures are required about the entity's supplier finance arrangements to enable users of financial statements to assess the impact of those arrangements on the entity's liabilities and cash flows and its exposure to liquidity risk. These amendments are intended to enhance the transparency of disclosures about arrangements made with suppliers. The amendments do not affect the recognition or measurement principles, only the disclosure requirements. The new disclosure obligations will be effective for annual reporting periods beginning on or after January 1st 2024. As at the date of these financial statements, the amendments were not yet endorsed by the European Union.

Amendments to IAS IFRS 14 *The effects of Changes in Foreign Exchange Rates*

In August 2023, the IASB issued amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*. The amendments contain guidance for entities to specify when a currency is exchangeable and how to determine the spot exchange rate when it is not. In addition, the amendments to the standard require the disclosure of additional information when a currency is not exchangeable on how the alternative exchange rate is determined. The issued amendments are effective for financial statements for periods beginning on or after January 1st 2025. At the date of these financial statements, the amendments have not yet been endorsed by the European Union.

IFRS 14 *Regulatory Deferral Accounts*
The standard permits an entity which is a first-time adopter of IFRS (on or after January 1st 2016) to continue to account for rate-regulated activities in accordance with its previous accounting policies. To ensure better comparability with entities which already use IFRSs and do not account for such balances, in accordance with IFRS 14 amounts from rate-regulated activities should be presented as a separate item in the statement of financial position, statement of profit or loss, and statement of comprehensive income. The European Union has decided not to endorse IFRS 14.

Amendments to IFRS 10 and IAS 28 concerning sale or contribution of assets between an investor and its associate or joint venture

The amendments address the current inconsistency between IFRS 10 and IAS 28. The accounting approach depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a business. Full gain or loss is recognised by the investor if the non-monetary assets constitute a business. If the assets do not meet the definition of a business, the investor recognises a partial gain or loss, excluding the part corresponding to other investors' interests. The amendments were issued on September 11th 2014. As at the date of these financial statements, the European Union postponed the endorsement of the amendments.

4. Significant assessments and estimates

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

5. Seasonality

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

6. Functional and reporting currency

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

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

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

NBP mid rate quoted for:	September 30th 2023	December 31st 2022
CZK	0.1901	0.1942
RON	0.9320	0.9475

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

Average NBP mid rate for reporting period	9 months 2023	9 months 2022
CZK	0.1923	0.1904
RON	0.9255	0.9497

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

7. Revenue from contracts with customers

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

	Period ended September 30th 2023	**Period ended September 30th 2022**
Revenue from sale of merchandise	**2,729,555**	**2,094,989**
including:		
Sales of merchandise – Poland	1,370,032	1,055,748
Sales of merchandise – EU	1,328,016	1,021,179
Sales of merchandise – other exports	31,507	18,062
Revenue from rendering of services	**1,904**	**2,745**
including:		
Sales of services – Poland	767	1,222
Sales of services – EU	1,137	1,523
Total revenue from contracts with customers	**2,731,459**	**2,097,734**

8. Costs by nature and function of expense

	Period ended September 30th 2023	**Period ended September 30th 2022**
Depreciation and amortisation	(31,615)	(23,703)
Raw materials and consumables used	(22,871)	(21,227)
Services	(276,560)	(227,257)
Taxes and charges	(3,950)	(2,549)
Employee benefits expense	(167,444)	(134,116)
Other costs by nature of expense	(5,600)	(5,447)
Merchandise and materials sold	(1,987,188)	(1,474,905)
Total costs by nature of expense	**(2,495,228)**	**(1,889,204)**
Cost of sales	(1,987,188)	(1,474,908)
Distribution costs and marketing expenses	(299,576)	(246,525)
Warehousing costs	(173,966)	(131,763)
Management and administrative expenses	(34,498)	(36,008)
Total costs by function of expense	**(2,495,228)**	**(1,889,204)**

9. Other net gains (losses)

	Period ended September 30th 2023	Period ended September 30th 2022
Foreign exchange gains or losses on operating activities – unrealised	(4,058)	4,791
Foreign exchange gains or losses on operating activities – realised	5,939	(162)
Gains/losses on impairment of receivables	(668)	(990)
Other	481	279
Other gains (losses) net	**1,694**	**3,918**

10. Finance income

	Period ended September 30th 2023	Period ended September 30th 2022
Foreign exchange gains (losses) on financing activities	-	-
Interest on loans	104	80
Interest on trade receivables	125	71
Bank interest	251	-
Other finance income	12	30
Total finance income	**492**	**181**

11. Finance costs

	Period ended September 30th 2023	Period ended September 30th 2022
Interest expense:		
Interest on term and overdraft facilities	(12,585)	(11,023)
Interest on non-bank borrowings from related entities	(1,864)	(1,001)
Interest on lease liabilities (other leases)	(4,728)	(2,375)
Interest on lease liabilities (office and warehouse space leases)	(2,882)	(1,280)
Other interest expense	(76)	(24)
	(22,135)	(15,703)
Other finance costs:		
Foreign exchange gains (losses) on financing activities	(271)	(2,492)
Credit commissions and fees	(589)	(576)
Factoring commissions and fees	(3)	(45)
Other finance costs	(52)	(49)
	(915)	(3,162)
Total finance costs	**(23,050)**	**(18,865)**

12. Income tax

	Period ended September 30th 2023	Period ended September 30th 2022
Profit before tax	**214,440**	**193,476**
Income tax at 19%	(40,744)	(36,760)
Permanent differences	(877)	(212)
Total income tax disclosed in the statement of comprehensive income	**(41,621)**	**(36,972)**
including:		
Current income tax:		
For current year	(35,643)	(40,380)
For previous years	(322)	(115)
	(35,965)	(40,495)
Deferred income tax:		
For current year	(5,656)	3,523
	(5,656)	3,523
	(41,621)	**(36,972)**
Profit before tax	**214,440**	**193,476**
Income tax	41,621	36,972
Effective tax rate	**19.41%**	**19.11%**

Current tax assets and liabilities

	As at September 30th 2023	As at December 31st 2022
Current tax assets	-	-
Current tax liability	9,591	19,475

13. Property, plant and equipment

-	As at September 30th 2023	As at December 31st 2022
Buildings and structures	73,746	72,383
Machinery and equipment	113,626	86,125
Vehicles	14,608	13,712
Other	52,984	47,470
Property, plant and equipment under construction	13,018	31,390
Total carrying amount of property, plant and equipment	**267,982**	**251,080**

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

-	As at September 30th 2023	As at December 31st 2022
Buildings and structures	70,601	68,769
Machinery and equipment	66,315	46,774
Vehicles	9,722	9,255
Other	24,923	24,032
Property, plant and equipment under construction (i)	-	22,893
Total carrying amount of property, plant and equipment under right-of-use arrangements	**171,561**	**171,723**

-	Period ended September 30th 2023	Period ended September 30th 2022
Buildings and structures	14,400	10,694
Machinery and equipment	5,404	3,859
Vehicles	1,049	897
Other	1,088	960
Total depreciation of property, plant and equipment under right-of-use arrangements	**21,941**	**16,410**

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

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

Movements in property, plant and equipment	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant and equipment	Property, plant and equipment under construction	Total
Gross carrying amount as at December 31st 2021	**84,253**	**73,256**	**21,430**	**56,051**	**21,200**	**256,190**
Increase						
Purchase	1,424	17,192	154	3,729	6,161	**28,660**
Accounting for property, plant and equipment under construction – purchase	17	724	-	450	(1,191)	**-**
Leases	37,818	13,867	3,997	4,485	23,215	**83,382**
Accounting for property, plant and equipment under construction – leases	-	17,995	-	-	(17,995)	**-**
Other	-	-	4	-	-	**4**
Decrease						
Disposal	-	(54)	(557)	(141)	-	**(752)**
Retirement	-	(5)	(107)	-	-	**(112)**
Other	(5)	(69)	(16)	(3)	-	**(93)**
Gross carrying amount as at December 31st 2022	**123,507**	**122,906**	**24,905**	**64,571**	**31,390**	**367,279**
Increase						
Purchase	512	7,497	380	5,723	7,689	**21,801**
Accounting for property, plant and equipment under construction – purchase	135	2,931	-	102	(3,168)	**-**
Leases	15,544	4,377	2,222	2,449	-	**24,592**
Accounting for property, plant and equipment under construction – leases	-	22,601	-	292	(22,893)	**-**
Other	-	-	-	-	-	**-**
Decrease						
Disposal	-	(295)	(343)	(174)	-	**(812)**
Retirement	(90)	-	(128)	(29)	-	**(247)**
Other	(3)	(71)	-	-	-	**(74)**
Gross carrying amount as at September 30th 2023	**139,605**	**159,946**	**27,036**	**72,934**	**13,018**	**412,539**
Accumulated depreciation as at December 31st 2021	**35,451**	**27,816**	**9,781**	**13,805**	-	**86,853**
Depreciation in period	15,673	9,009	1,908	3,370	-	**29,960**
Disposal	-	(47)	(426)	(74)	-	**(547)**
Retirement	-	(3)	(54)	-	-	**(57)**
Other	-	6	(16)	-	-	**(10)**
Accumulated depreciation as at December 31st 2022	**51,124**	**36,781**	**11,193**	**17,101**	**-**	**116,199**
Depreciation in period	14,824	9,823	1,551	2,931	-	**29,129**
Disposal	-	(284)	(240)	(75)	-	**(599)**
Retirement	(90)	-	(74)	(7)	-	**(171)**
Other	1		(2)	-	-	**(1)**
Accumulated depreciation as at September 30th 2023	**65,859**	**46,320**	**12,428**	**19,950**	**-**	**144,557**
Net carrying amount as at December 31st 2022	**72,383**	**86,125**	**13,712**	**47,470**	**31,390**	**251,080**
Net carrying amount as at September 30th 2023	**73,746**	**113,626**	**14,608**	**52,984**	**13,018**	**267,982**

14. Intangible assets

-	As at September 30th 2023	As at December 31st 2022
Software	15,259	14,154
Intangible assets under development	18,369	12,889
Total carrying amount of intangible assets	**33,628**	**27,043**

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

-	As at September 30th 2023	As at December 31st 2022
Software	2,973	3,347
Total carrying amount of right-of-use intangible assets	**2,973**	**3,347**

-	Period ended September 30th 2023	Period ended September 30th 2022
Software	350	381
Total amortisation of right-of-use intangible assets	**350**	**381**

Movements in intangible assets	Software	Other intangible assets	Intangible assets under development	Total
Gross carrying amount as at December 31st 2021	**25,145**	**343**	**10,429**	**35,917**
Increase				
Purchase	2,255	-	6,870	**9,125**
Accounting for intangible assets under development – purchase	4,410	-	(4,410)	**-**
Leases	251	-	-	**251**
Gross carrying amount as at December 31st 2022	**32,061**	**343**	**12,889**	**45,293**
Increase				
Purchase	837	-	8,234	**9,071**
Accounting for intangible assets under development – purchase	2,754	-	(2,754)	**-**
Leases	-	-	-	
Other	-	-	-	**-**
Gross carrying amount as at September 30th 2023	**35,652**	**343**	**18,369**	**54,364**
Accumulated amortisation as at December 31st 2021	**15,013**	**343**	**-**	**15,356**
Amortisation in period	2,889	-	-	**2,889**
Other	5	-	-	**5**
Accumulated amortisation as at December 31st 2022	**17,907**	**343**	**-**	**18,250**
Amortisation in period	2,486			**2,486**
Other				**-**
Accumulated depreciation as at September 30th 2023	**20,393**	**343**	**-**	**20,736**
Net carrying amount as at December 31st 2022	**14,154**	**-**	**12,889**	**27,043**
Net carrying amount as at September 30th 2023	**15,259**	**-**	**18,369**	**33,628**

15. Investments in other entities

	As at September 30th 2023	As at December 31st 2022
Shares in other entities	110	110
Total	**110**	**110**

16. Other financial assets

	As at September 30th 2023	As at December 31st 2022
Loans measured at amortised cost		
Loans to other entities	1	4
Total	**1**	**4**
Long-term	-	-
Short-term	1	4
Total	**1**	**4**

On January 2nd 2023, an agreement was signed with Global One Automotive GmbH of Frankfurt whereby the Company advanced a loan of EUR 750 thousand to Global One. The loan bore interest at 3M EURIBOR + margin. The agreement was concluded for a definite term from February 1st 2023 to July 31st 2023. The Company holds 6.25% of shares in Global One Automotive GmbH as a participant in the International Purchasing Group (since 2017). The loan was repaid on June 30th 2023.

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

17. Inventories and contract asset

17.1 Inventories

Merchandise is stored in central and subsidiary warehouses and is, in principle, fully insured against theft, burglary, robbery, fire, and other natural calamities (except where the insurer excluded specific risks or lowered the amount of indemnification for such risks).

	As at September 30th 2023	As at December 31st 2022
Merchandise	970,371	964,899
Write-downs	(7,977)	(9,169)
Total	**962,394**	**955,730**

Change in inventory write-downs

-	Period ended September 30th 2023	Period ended September 30th 2022
At beginning of period	**(9,169)**	**(10,450)**
Decrease	3,816	1,650
Increase	(2,624)	(2,617)
As at end of period	**(7,977)**	**(11,417)**

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 2023	As at December 31st 2022
Liabilities secured with pledge on inventories	167,261	306,174

Recognised inventory cost

-	Period ended September 30th 2023	Period ended September 30th 2022
Cost of sales	(1,987,188)	(1,474,908)
Distribution costs	(5,530)	(3,999)
Total inventory cost recognised	**(1,992,718)**	**(1,478,907)**

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

17.2 Contract asset

	As at September 30th 2023	As at December 31st 2022
Contract asset	18,946	13,584

Customers may freely return purchased goods within 14 days from the purchase date, provided that the goods do not bear any traces of use. Warranty replacements are governed by the applicable provisions of the Polish Civil Code. The Group estimated the value of future adjustments to sales to reflect returns by customers based on historical data on returns and the current period's turnover. An asset is created in connection with the recognition of an estimated decrease in the cost of merchandise sold relating to the estimated right to return merchandise.

18. Trade and other receivables

	As at September 30th 2023	As at December 31st 2022
Trade receivables payable up to 12 months	236,212	179,855
Trade receivables payable in more than 12 months	2,868	2,274
Trade receivables from suppliers	71,861	68,207
Impairment losses on trade receivables	(9,295)	(8,223)
Total trade receivables	**301,646**	**242,113**
Receivables from card system operators	1,560	1,458
Rent deposits receivable	1,962	2,052
Other financial receivables	5,055	4,624

Impairment losses on other financial receivables	(867)	(871)
Total trade and other financial receivables	**309,356**	**249,376**
Prepaid deliveries	5,231	5,725
Receivables on sale of property, plant and equipment	-	-
Prepayments and accrued income	10,714	6,683
VAT tax to be settled in future periods/refunded to bank account	7,911	23,007
Other non-financial receivables	1,183	851
Total non-financial receivables	**25,039**	**36,266**
Total trade and other receivables	**334,395**	**285,642**
Other long-term receivables	4,625	4,299
Trade and other receivables	329,770	281,343
Total trade and other receivables	**334,395**	**285,642**

Aging of trade receivables

	As at September 30th 2023	**As at December 31st 2022**
not past due	264,677	216,384
past due 1-30 days	17,200	21,608
past due 31-90 days	17,342	2,053
past due 91-120 days	258	542
past due 121-180 days	553	600
past due 181-360 days	1,132	564
over 360 days	484	362
Total trade receivables	**301,646**	**242,113**

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

	As at September 30th 2023	**As at December 31st 2022**
not past due	(1,414)	(1,074)
past due 1-30 days	(61)	(59)
past due 31-90 days	(144)	(43)
past due 91-120 days	(53)	(196)
past due 121-180 days	(91)	(197)
past due 181-360 days	(539)	(420)
over 360 days	(6,993)	(6,234)
Total impairment losses on trade receivables	**(9,295)**	**(8,223)**

Change in the amount of credit loss allowances for trade receivables

-	**Period ended September 30th 2023**	**Period ended September 30th 2022**
At beginning of period	**(8,223)**	**(6,561)**
Recognised	(2,008)	(1,750)
Write-off	466	375
Decrease	470	87
As at end of period	**(9,295)**	**(7,849)**

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 2023	As at December 31st 2022
Receivables pledged as security	139,368	92,595

19. Equity

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

	As at September 30th 2023	As at December 31st 2022
Fully paid-up share capital	**13,062**	**13,062**
Series A ordinary bearer shares	1	1
Series B ordinary bearer shares	111	111
Series C ordinary bearer shares	160	160
Series D ordinary bearer shares	48,320	48,320
Series E ordinary bearer shares	39,964	39,964
Series F ordinary bearer shares	4,444	4,444
Series G ordinary bearer shares	1,000	1,000
Series H ordinary bearer shares	23,000	23,000
Series I ordinary bearer shares	2,070	2,070
Series J ordinary bearer shares	11,550	11,550
Total (thousands of shares)	**130,620**	**130,620**
Par value per share (PLN)	0.10	0.10
Total par value	**13,062**	**13,062**

	As at September 30th 2023	As at December 31st 2022
Share capital issued	13,062	13,062
Share premium	106,299	106,299
Other components of equity	1,099	1,071
Retained earnings	875,618	722,392
Total equity	**996,078**	**842,824**

20. Borrowings

	As at September 30th 2023	As at December 31st 2022
Unsecured – at amortised cost		
Borrowings from related entities	28,564	28,035
	28,564	**28,035**
Secured – at amortised cost		
Overdraft facilities	32,431	158,744
Bank borrowings	134,830	162,533
Other borrowings	-	4
	167,261	**321,281**
Total borrowings	**195,825**	**349,316**
Current liabilities (i)	111,416	210,616
Non-current liabilities	84,409	138,700
Total borrowings	**195,825**	**349,316**

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

Credit facility agreements and non-bank borrowings

	Agreement	Repayment date	Credit limit	Currency	Interest rate	As at September 30th 2023	As at December 31st 2022
ING Bank Śląski S.A.	Multi-product facility agreement of October 19th 2015 No. **882/2015/00000925/00**	October 10th 2024	177,000				
	working capital facility in bank account			PLN	1M WIBOR + margin	31,205	62,080
	working capital facility in credit account			PLN	1M WIBOR + margin	57,224	97,244
	working capital facility in credit account			EUR	1M EURIBOR + margin	-	-
	working capital facility in credit account			USD	1M SOFR + margin	-	-

Within the credit limit granted under the agreement, the subsidiary Maxgear Sp. z o.o. Sp.k. is entitled to draw up to PLN 40,000 thousand, including under the PLN-denominated working capital facility in a bank account (1M WIBOR + margin) and the USD-denominated working capital facility in a credit account (1M SOFR + margin). As at September 30th 2023, Maxgear Sp. z o.o. Sp.k.'s debt outstanding under the multi-product facility agreement (PLN-denominated working capital facility in a bank account) was PLN 30,801 thousand. Both companies are jointly and severally liable for the obligations arsing under the agreement. Security: (a) registered pledge over Auto Partner S.A.'s receivables from domestic customers (balance-sheet item) of up to PLN 270,000 thousand, (b) registered pledge over inventories of merchandise (spare car parts) owned by Auto Partner S.A., located at ul. Ekonomiczna 20, in Bieruń, Poland, of up to PLN 270,000 thousand, (c) assignment of rights under the insurance policy covering the pledged inventories, (d) declaration on voluntary submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure of up to PLN 270,000 thousand, (e) declaration on voluntary submission to enforcement by Maxgear Sp. z o.o. Sp. z o.o. under Art. 777.1.5 of the Code of Civil Procedure of up to PLN 270,000 thousand, (f) subordination of borrowings obtained from Katarzyna Górecka and Aleksander Górecki of up to PLN 26,700 thousand.

Santander Bank Polska S.A.	Multi-facility agreement of September 26th 2016 No. **K00922/16**	March 31st 2024	90,000				
	working capital facility in bank account			PLN	1M WIBOR + margin	336	4,111
	working capital facility in bank account			EUR	1M EURIBOR + margin	837	-
	working capital facility in credit account			PLN	1M WIBOR + margin	50,000	25,000

The facility is secured with: a) a registered pledge over all inventories of merchandise stored at the warehouses specified in the pledge agreement or other locations approved by the Bank, with a minimum value of PLN 135,000 thousand; b) assignment of receivables to the Bank under the insurance policy covering the pledged assets; c) subordination of claims under a loan provided by Katarzyna Górecka and Aleksander Górecki of up to PLN 26,000 thousand; d) registered pledge over trade receivables from trading partners, as per the list attached as an appendix to the pledge agreement, with a minimum amount of PLN 15,000 thousand; e) declaration on voluntary submission to enforcement of the Bank's claims arising under the agreement, made under Art. 777.1 of the Code of Civil Procedure, to be submitted to the Bank.

mBank S.A.	Overdraft facility agreement of October 22nd 2019 No. **11/145/19/Z/VV**	September 30th 2025	50,000				
	working capital facility in bank account			PLN	O/N WIBOR + margin	-	48,732
	working capital facility in bank account			EUR	O/N ESTR + margin	-	-

Security: (a) a registered pledge over inventories of merchandise with a value of PLN 75,000 thousand, (b) assignment of rights under an inventory insurance contract for the pledged inventories, (c) declaration on submission to enforcement by the Company under Art. 777.1.5 of the Code of Civil Procedure, up to PLN 75,000 thousand, (d) subordination of claims under the loans provided by Katarzyna Górecka and Aleksander Górecki of up to PLN 26,000 thousand.

mBank S.A.	Working capital facility in credit account agreement of December 13th 2022 No. **11/168/22/Z/OB**.	December 12th 2024	15,000				
	working capital facility in credit account			PLN	1M WIBOR + margin	-	15,103
The agreement expired on March 27th 2023 following repayment of the facility. The credit facility (11/168/22/Z/OB) is secured with the Company's declaration on submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to PLN 22,500 thousand.							
mBank S.A.	Working capital facility in credit account agreement of April 5th 2023 No. **11/026/23/Z/LE**.	December 12th 2024	15,000				
	working capital facility in credit account			PLN	1M WIBOR + margin	-	-
The credit facility is secured with the Company's declaration on submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to PLN 22,500 thousand.							
BNP Paribas Bank Polska S.A.	Multi-purpose credit facility agreement No. **WAR/8806/21/537/CB** of September 13th 2021	September 12th 2025	50,000				
	working capital facility in bank account			PLN	1M WIBOR + margin	16	43,821
	working capital facility in bank account			EUR	1M EURIBOR + margin	37	-
	working capital facility in bank account			USD	SOFR + margin	-	-
Within the credit limit granted under the agreement, the subsidiary Maxgear Sp. z o.o. Sp.k. is entitled to draw up to PLN 35,000 thousand, including under the PLN-denominated working capital facility in a bank account (1M WIBOR + margin) and the USD-denominated working capital facility in a bank account (SOFR + margin). As at September 30th 2023, Maxgear Sp. z o.o. Sp.k. did not have any debt under the agreement. The companies are liable for the obligations arising under the agreement up to the amounts specified therein. Security: a) declaration by Auto Partner S.A. on submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure in respect of contractual payment obligations, for up to PLN 75,000 thousand, with the time limit for filing a request to issue an enforceability order, in substance acceptable to the Bank, set for September 12th 2034; b) declaration by Maxgear Sp. z o.o. Sp. kom. on submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure in respect of contractual payment obligations, for up to PLN 52,500 thousand, with the time limit for filing a request to issue an enforceability order, in substance acceptable to the Bank, set for September 9th 2034; c) registered pledge with the maximum security amount of PLN 60,000 thousand over inventories of merchandise held by Auto Partner S.A. in its own and leased locations (not encumbered in favour of another pledgee), in accordance with a separate pledge agreement, with a total value of not less than PLN 60,000 thousand. Until the pledge is created, security in the form of assignment in favour of the Bank of the assets subject to the future pledge will remain in effect; d) assignment of rights under an insurance policy in favour of the Bank in respect of the pledged assets, with the proviso that the sum insured may not be less than PLN 50,000 thousand; e) agreement on subordination of the loan provided by Aleksander Górecki and Katarzyna Górecka under an agreement of January 2nd 2014 of up to PLN 26,000 thousand to the facility.							
BNP Paribas Bank Polska S.A.	Revolving credit facility agreement No. **WAR/8806/22/17/CB** of January 24th 2022	September 12th 2025	25,000				
	working capital facility in credit account			PLN	1M WIBOR + margin	25,160	25,186
Security: a) a registered pledge with the maximum security amount of PLN 37,500 thousand over inventories of the borrower's merchandise held at the borrower's branches, b) the borrower's declaration on submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure in respect of the contractual payment obligations, for up to PLN 37,500 thousand, with the time limit for filing a request to issue an enforceability order, in substance acceptable to the Bank, set for January 30th 2023, c) assignment of rights under an insurance contract for the pledged inventories in favour of the Bank, with the proviso that the sum insured may not be less than PLN 25,000 thousand, d) an agreement on subordination of claims under the loans provided to the borrower by Katarzyna Górecka and Aleksander Górecki to the credit facility.							
Credit Agricole Bank Polska S.A.	Investment credit facility agreement No. **KRI/S/8/2022** of September 13th 2022	September 16th 2027	15,000				
	investment credit facility in credit account			PLN	1M WIBOR + margin	2,446	-
Security: 1) registered pledge over the equipment financed with funds drawn on the facility, of up to 120% of the amount disbursed by the Bank under the facility, 2) assignment of any claims under insurance policies covering the equipment financed with funds drawn on the facility, of up to 120% of the amount disbursed by the Bank under the facility, 3) registered pledge over inventories, of up to 120% of the amount disbursed by the Bank under the facility, 4) assignment of any claims under insurance policies covering inventories, of up to 120% of the amount disbursed by the Bank under the facility, 5) submission to enforcement under Art. 777.1 of the Code of Civil Procedure in respect of payment of liabilities under the credit facility agreement, for up to PLN 18,000,000.							
Katarzyna Górecka and Aleksander Górecki	Shareholder loan agreement of January 2nd 2014	January 2nd 2024	26,700				
	loan agreement			PLN	3M WIBOR + margin	28,564	28,035

Security: none.					
UniCredit Leasing a.s.	Loan to finance purchase of property, plant and equipment	June 2nd 2023	70		
	loan agreement		CZK	-	4
Security: title to the property, plant and equipment financed with the loan					
	Total borrowings			**195,825**	**349,316**

21. Trade and other payables

21.1 Trade and other payables

	As at September 30th 2023	**As at December 31st 2022**
Trade payables due in up to 12 months	291,817	148,016
Trade receivables from suppliers	(82,960)	(24,655)
Taxes, customs duties, social security and other benefits payable	8,032	5,875
Liabilities arising from acquisition of property, plant and equipment and intangible assets	1,247	752
Other liabilities	355	227
	218,491	**130,215**
Current liabilities	218,491	130,215
Total	**218,491**	**130,215**

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

21.2 Contract liabilities

	As at September 30th 2023	**As at December 31st 2022**
Contract liabilities	666	629
Right-of-return liabilities (i)	25,794	18,682
Total	**26,460**	**19,311**

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

22. Financial liabilities under lease contracts

Total payments under lease contracts	**As at September 30th 2023**	**As at December 31st 2022**
Current lease liabilities	37,747	39,021
Non-current lease liabilities	105,798	112,595
Total	**143,545**	**151,616**

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

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

	Period ended September 30th 2023	Period ended September 30th 2022
Cost of short-term leases (i)	8,409	7,418
Cost of leases not disclosed due to the low value of underlying assets (ii)	1,166	996
Total	**9,575**	**8,414**

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

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

For disclosures relating to depreciation of property, plant and equipment and amortisation of right-of-use intangible assets, see Notes 13 and 14. For information on the amount of interest, see Note 11.

23. Employee benefit obligations and provisions

	As at September 30th 2023	As at December 31st 2022
Salaries and wages payable	11,934	9,337
Social security and Employee Capital Plan obligations	11,444	9,001
Provision for accrued holiday entitlements	5,252	4,259
Provision for retirement and disability benefit obligations	786	498
Provision for obligations under the Incentive Scheme for 2022	-	11,600
Obligation under the Incentive Scheme for 2020 *)	-	538
Obligation under the Incentive Scheme for 2022 *)	3,480	-
	32,896	**35,233**
Long-term employee benefit obligations and provisions	2,182	2,661
Short-term employee benefit obligations and provisions	30,714	32,572
Total	**32,896**	**35,233**

Changes in provisions

	Period ended September 30th 2023	Period ended September 30th 2022
Provision for accrued holiday entitlements	(993)	(378)
Provision for retirement and disability benefit obligations	(288)	144
Provision for obligations under the Incentive Scheme for 2019	-	207
Provision for obligations under the Incentive Scheme for 2020	538	1,075
Provision for obligations under the Incentive Scheme for 2021	-	2,160
Provision for obligations under the Incentive Scheme for 2022	8,120	(7,875)
Total	**7,377**	**(4,667)**

	As at December 31st 2022	recognised	reversed	used	As at September 30th 2023
Provision for accrued holiday entitlements	4,259	4,131	-	(3,138)	5,252
Provision for retirement and disability benefit obligations	498	317	-	(29)	786
Provision for obligations under the Incentive Scheme for 2020	538			(538)	-
Provision for obligations under the Incentive Scheme for 2022	11,600	-	-	(8,120)	3,480
	16,895	**4,448**	**-**	**(11,825)**	**9,518**

(i) For detailed information on the Incentive Scheme for 2019−2021, see the Directors' Report on the Company's and the Group's operations in 2021, available at https://ir.autopartner.com/raporty/#raporty-okresowe

bonus granted for 2020		bonus paid in 2021	bonus paid in 2022	bonus paid in 2023	Obligations as at September 30th 2023
Company's Management Board	3,476	(2,434)	(694)	(348)	-
Subsidiary's Management Board	1,902	(1,331)	(381)	(190)	-
	5,378	**(3,765)**	**(1,075)**	**(538)**	**-**

(ii) For detailed information on the incentive bonus for 2022, see Part III of this Report – Key supplementary information to the consolidated quarterly report.

bonus granted for 2022		bonus paid in 2023	Obligations as at September 30th 2023
Company's Management Board	7,600	(5,320)	2,280
Subsidiary's Management Board	4,000	(2,800)	1,200
	11,600	**(8,120)**	**3,480**

24. Financial instruments

	As at September 30th 2023	As at December 31st 2022
Financial assets		
Measured at fair value through profit or loss:	**-**	**-**
Held for trading	-	-
Classified for measurement at fair value through profit or loss:	-	-
Measured at amortised cost:	**343,103**	**284,311**
Cash	*33,746*	*34,931*
Trade and other financial receivables	*309,356*	*249,376*
Loans	*1*	*4*
Measured at fair value through other comprehensive income	**-**	**-**
Financial receivables excluded from the scope of IFRS 9 – shares	110	110
Financial liabilities		
Measured at fair value through profit or loss:	**-**	**-**

Held for trading	-	-
Classified for measurement at fair value through profit or loss:	-	-
Hedging derivatives	-	-
Measured at amortised cost:	**406,595**	**474,058**
Trade payables	*208,857*	*123,361*
Contract liabilities	*666*	*629*
Liabilities arising from acquisition of property, plant and equipment and intangible assets	*1,247*	*752*
Borrowings	*195,825*	*349,316*
Non-IFRS 9 financial liabilities – lease liabilities	143,545	151,616

Fair value

The Group recognises derivative financial instruments for which changes in fair value are attributable to changes in market conditions (i.e., exchange rate movements) as financial assets and liabilities measured at fair value through profit or loss. In the reporting period ended December 31st 2022 and September 30th 2023, the Group did not enter into any currency forwards.

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

25. Related-party transactions

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

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

Sales of goods and services and other income	**Period ended September 30th 2023**	**Period ended September 30th 2022**
entities related to members of the Management Board and the Supervisory Board	**56**	**154**
including:		
sales of goods	-	*4*
re-charge of costs	*56*	*150*
members of management boards of subsidiaries	**12**	**15**
including:		
sales of goods	*1*	*3*
re-charge of costs	*11*	*12*
Total	**68**	**169**

Purchase of goods and services and other purchases	**Period ended September 30th 2023**	**Period ended September 30th 2022**
entities related to members of the Management Board and the Supervisory Board	**1,675**	**1,311**
including:		
purchase of services	*1,675*	*1,311*
members of management boards of subsidiaries	**517**	**187**
including:		
purchase of services	*517*	*187*
Total	**2,192**	**1,498**

Receivables	**As at September 30th 2023**	**As at December 31st 2022**
entities related to members of the Management Board and the Supervisory Board	55	10
members of management boards of subsidiaries	1	-
Total	**56**	**10**

Liabilities	**As at September 30th 2023**	**As at December 31st 2022**
entities related to members of the Management Board and the Supervisory Board	240	214
members of management boards of subsidiaries	57	7
Total	**297**	**221**

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 2023**	**Period ended September 30th 2022**
Management Board members	**28**	**23**
including:		
re-charge of costs	*28*	*23*
Total	**28**	**23**

Receivables	**As at September 30th 2023**	**As at December 31st 2022**
Management Board members	641	322
Total	**641**	**322**

Salaries	**Period ended September 30th 2023**	**Period ended September 30th 2022**
Management Board members	792	5,787
Members of management boards of subsidiaries	180	2,805
Supervisory Board	173	119
Total	**1,145**	**8,711**

Obligation under the Incentive Scheme	**As at September 30th 2023**	**As at December 31st 2022**
Management Board members (Note 23)	2,280	348
Members of management boards of subsidiaries (Note 23)	1,200	190
Total	**3,480**	**538**

Loans advanced by shareholders to the Group

Loans received	**As at September 30th 2023**	**As at December 31st 2022**
Shareholder loan (Note 20)	28,564	28,035
Total	**28,564**	**28,035**

Finance costs	Period ended September 30th 2023	Period ended September 30th 2022
Interest expense recognised	(1,864)	(1,001)
Total	**(1,864)**	**(1,001)**

26. Dividend for 2022

On March 31st 2023, the Management Board of the Company passed a resolution to recommend that the Annual General Meeting ("AGM") vote to pay dividend of PLN 19,593,000, i.e. PLN 0.15 per share, for the financial year 2022 On April 17th 2023, the Supervisory Board resolved to endorse the Management Board's recommendation. At its meeting held on May 25th 2023, the Annual General Meeting passed a resolution granting the request, setting June 1st 2023 as the dividend record date. The dividend was paid on June 15th 2023.

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

Bank guarantees:

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

– PLN 722 thousand bank guarantee No. DOK2419GWB20AR of July 27th 2020, provided in connection with a contract for rent of property in Bieruń, valid until July 15th 2026, 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 December 31st 2024, granted within credit limit of the facility provided by Santander Bank Polska S.A.; see Note 20.

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

– EUR 485 thousand bank guarantee No. DOK1141GWB22WS of March 25th 2022 (as amended), provided in connection with a contract for rent of property in Mysłowice, valid until September 30th 2024, granted within credit limit of the facility provided by Santander Bank Polska S.A.; see Note 20.

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

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

- PLN 2,000 thousand bank guarantee No. KLG87054IN23 of April 3rd 2023, provided in connection with a distribution agreement, valid until December 31st 2024, granted within the credit limit of the facility provided by ING Bank Śląski S.A.; see Note 20.

Tax liabilities

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

Undisclosed liabilities under contracts

The Group entered into contracts which will be classified as leases under IFRS 16, however the liabilities under the contracts are not disclosed as at the reporting date due to the failure to make the leased assets, which primarily comprise warehouses and warehouse equipment, available for use by the Group by September 30th 2023. The value of future lease liabilities is PLN 108,356 thousand.

28. Events subsequent to the reporting date

After the reporting date, the Company executed annexes to lease contracts whereby the leased storage space in the main warehouse in Bieruń was increased. On October 4th 2023, the Company signed an annex to the lease contract concluded on June 28th 2013 with WESTINVEST GESELLSCHAFT FÜR INVESTMENTFONDS MBH of Düsseldorf (the Lessor) whereby the space leased by Auto Partner S.A. (the Lessee) in the Bieruń Logistics Park was increased by approximately 10,110 sq m in the case of storage space and approximately 981 sq m in the case of office and amenity space. A similar annex was also signed on February 6th 2023 to the lease contract with WESTINVEST GESELLSCHAFT FÜR INVESTMENTFONDS MBH of Düsseldorf, which as of May 29th 2024 will be an extension of the existing lease contract of June 28th 2013.

On October 24th 2023, an annex to bank guarantee no. DOK2419GWB20AR of July 27th 2020 was signed with Santander Bank Polska S.A. The guarantee relates to a property lease contract in Bieruń and the annex changed the guarantee amount to EUR 951 thousand. The guarantee is valid until July 15th 2026.

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

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

30. Impact of the Russian Federation's military invasion of Ukraine on the Group's business

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

31. Authorisation for issue

These interim condensed consolidated financial statements of the Group were authorised for issue by the Management Board on November 20th 2023.

II. Quarterly financial information of the parent for Q3 2023

Interim separate statement of comprehensive income

	for 3 months ended		for 9 months ended	
	September 30th 2023	**September 30th 2022**	**September 30th 2023**	**September 30th 2022**
	unaudited figures	unaudited figures	unaudited figures	unaudited figures
STATEMENT OF PROFIT OR LOSS				
Revenue from contracts with customers	958,536	751,982	2,734,204	2,099,607
Cost of sales	(701,392)	(541,588)	(2,020,840)	(1,499,754)
Gross profit	**257,144**	**210,394**	**713,364**	**599,853**
Distribution costs and marketing expenses	(103,424)	(89,032)	(296,871)	(243,041)
Warehousing costs	(59,680)	(43,079)	(173,541)	(131,432)
Management and administrative expenses	(9,443)	(8,839)	(26,893)	(25,680)
Other gains (losses), net	(2,020)	1,570	(232)	1,800
Other income	36	388	139	608
Other expenses	(467)	(293)	(1,048)	(866)
Operating profit	**82,146**	**71,109**	**214,918**	**201,242**
Finance income	3,821	5,870	13,606	11,016
Finance costs	(6,875)	(8,160)	(21,364)	(16,913)
Profit before tax	**79,092**	**68,819**	**207,160**	**195,345**
Income tax	(14,019)	(12,310)	(37,824)	(35,948)
Net profit	**65,073**	**56,509**	**169,336**	**159,397**
OTHER COMPREHENSIVE INCOME				
Other comprehensive income, net	-	-	-	-
Other comprehensive income that will be reclassified to profit or loss	**-**	**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME	**65,073**	**56,509**	**169,336**	**159,397**
Earnings per share (PLN per share)				
From continuing operations:				
Basic	0.50	0.43	1.30	1.22
Diluted	0.50	0.43	1.30	1.22

Interim separate statement of financial position

	As at September 30th 2023	As at June 30th 2023	As at December 31st 2022	As at September 30th 2022
	unaudited figures	unaudited figures		unaudited figures
ASSETS				
Non-current assets				
Intangible assets	33,628	31,535	27,043	24,877
Property, plant and equipment	265,456	264,028	248,079	245,879
Investments in related entities	45,443	30,448	30,448	30,448
Investments in other entities	110	110	110	110
Other long-term receivables	4,491	4,093	4,160	3,968
Other non-current financial assets	-		-	1
Total non-current assets	**349,128**	**330,214**	**309,840**	**305,283**
Current assets				
Inventories	894,539	930,639	901,722	810,363
Contract asset	18,946	20,205	13,584	15,391
Trade and other receivables	339,482	303,724	304,777	279,651
Other financial assets	1	105	4	1,609
Cash and cash equivalents	18,000	23,650	32,031	26,303
Total current assets	**1,270,968**	**1,278,323**	**1,252,118**	**1,133,317**
Total assets	**1,620,096**	**1,608,537**	**1,561,958**	**1,438,600**
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 components of equity	2,103	2,103	2,103	2,103
Retained earnings	895,583	830,510	745,840	694,684
Total equity	**1,017,047**	**951,974**	**867,304**	**816,148**
Non-current liabilities				
Long-term borrowings	84,409	77,000	138,700	123,700
Lease liabilities	104,665	108,580	111,070	115,776
Employee benefit obligations and provisions	2,182	2,143	2,661	1,946
Deferred tax liability	24,024	14,698	20,044	13,122
Total non-current liabilities	**215,280**	**202,421**	**272,475**	**254,544**
Current liabilities				
Trade and other payables	195,843	222,089	173,301	155,776
Contract liabilities	26,460	28,812	19,311	21,925
Short-term borrowings	80,615	113,914	137,329	97,357
Lease liabilities	37,219	37,516	38,565	39,770
Current tax liability	8,966	13,481	18,642	20,048
Employee benefit obligations and provisions	29,284	30,783	28,179	25,823
Short-term provisions	9,382	7,547	6,852	7,209
Total current liabilities	**387,769**	**454,142**	**422,179**	**367,908**
Total liabilities	**603,049**	**656,563**	**694,654**	**622,452**
Total equity and liabilities	**1,620,096**	**1,608,537**	**1,561,958**	**1,438,600**

Interim separate statement of cash flows

indirect method	for 9 months ended	
	September 30th 2023	**September 30th 2022**
	unaudited figures	unaudited figures
Cash flows from operating activities		
Profit before tax	**207,160**	**195,345**
Adjustments:		
Depreciation and amortisation	31,146	23,450
Foreign exchange gains/losses	(942)	1,594
Adjustments for gains/losses on investing activities	57	(88)
Finance costs recognised in profit or loss	20,977	14,447
Finance income recognised in profit or loss	(168)	(135)
Change in inventories	7,183	(163,083)
Change in contract asset	(5,362)	(4,532)
Gains on share in profit or loss of related entities	(12,973)	(10,648)
Change in trade and other receivables	(50,646)	(28,780)
Change in trade and other payables	21,876	95,310
Change in contract liabilities	7,149	6,332
Change in employee benefit obligations and provisions	3,156	3,910
Cash from operating activities	**228,613**	**133,122**
Income tax paid	(43,521)	(41,445)
Net cash from operating activities	**185,092**	**91,677**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(30,383)	(28,042)
Disposal of property, plant and equipment and intangible assets	124	79
Loans	(3,537)	(3,400)
Repayment of loans	3,540	3,599
Gains on share in profit or loss of related entities	13,213	-
Receipts from lease	-	187
Interest received	104	87
Net cash from investing activities	**(16,939)**	**(27,490)**
Cash flows from financing activities		
Dividend paid	(19,593)	(19,593)
Borrowings received	-	10,487
Borrowings repaid	(111,267)	-
Payment of lease liabilities	(31,333)	(28,761)
Interest and commissions paid	(19,649)	(13,767)
Other cash used in financing activities – corporate surety	(509)	(441)
Other cash provided by financing activities – corporate surety	168	135
Net cash from financing activities	**(182,183)**	**(51,940)**
Total net cash flows	**(14,030)**	**12,247**
Cash and cash equivalents at beginning of period	32,031	13,922
Effect of exchange rate fluctuations on cash held	(1)	134
Cash and cash equivalents at end of period	**18,000**	**26,303**

Interim separate statement of changes in equity

	Share capital issued	Capital from issue of warrants	Share premium	Retained earnings	Total equity
As at December 31st 2021	**13,062**	**2,103**	**106,299**	**554,880**	**676,344**
Net profit for period				159,397	**159,397**
Total comprehensive income	**-**	**-**	**-**	**159,397**	**159,397**
Dividend paid				(19,593)	**(19,593)**
As at September 30th 2022 (unaudited)	**13,062**	**2,103**	**106,299**	**694,684**	**816,148**
As at December 31st 2021	**13,062**	**2,103**	**106,299**	**554,880**	**676,344**
Net profit for period				210,553	**210,553**
Total comprehensive income	**-**	**-**	**-**	**210,553**	**210,553**
Dividend paid				(19,593)	**(19,593)**
As at December 31st 2022	**13,062**	**2,103**	**106,299**	**745,840**	**867,304**
Net profit for period				169,336	**169,336**
Total comprehensive income	**-**	**-**	**-**	**169,336**	**169,336**
Dividend paid				(19,593)	**(19,593)**
As at September 30th 2023 (unaudited)	**13,062**	**2,103**	**106,299**	**895,583**	**1,017,047**

Notes

The quarterly financial information of the parent for the third quarter of 2023 includes information required under Par. 62.1 and Par. 62.2 of the Regulation of the Minister of Finance of March 29th 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state.

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

1. Significant assessments and estimates

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

2. Seasonality

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

3. Investments in related and other entities

	As at September 30th 2023	As at December 31st 2022
Shares in subsidiaries	931	931
Contributions to Maxgear Sp. z o.o. Sp. kom.	29,517	29,517
Contributions to AP Auto Partner CZ s.r.o. (i)	14,995	-
Shares in other entities	110	110
Total	**45,553**	**30,558**

(i) On September 28th 2023, the Company, as the sole shareholder of AP Auto Partner CZ s.r.o., submitted a statement on an obligation to make a voluntary additional contribution outside the share capital of AP Auto Partner CZ s.r.o. of CZK 78,303,078,26. On September 29th 2023, an agreement was signed on the set-off of receivables due from AP Auto Partner CZ s.r.o. to the Company for the supply of goods and services of CZK 78,303,078,26with AP Auto Partner CZ s.r.o.'s claim against the Company for payment of the abovementioned additional contribution.

4. Transactions with subsidiaries

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

Transactions with subsidiaries

Sales of goods and services and other income	**Period ended September 30th 2023**	**Period ended September 30th 2022**
Maxgear Sp. z o.o. Sp. komandytowa	**6,481**	**6,262**
including:		
sales of goods	*3*	*1*
sales of services	*6,126*	*5,827*
re-charge of costs	*352*	*434*
AP Auto Partner CZ s.r.o.	**20,941**	**13,645**
including:		
sales of goods	*20,740*	*13,418*
sales of services	*144*	*176*
re-charge of costs	*57*	*51*
Total	**27,422**	**19,907**

Finance income	**Period ended September 30th 2023**	**Period ended September 30th 2022**
Maxgear Sp. z o.o. Sp. komandytowa	**12,032**	**10,783**
including:		
share of profit	*11,864*	*10,648*
corporate surety	*168*	*135*
Maxgear Sp. z o.o.	**1,109**	**-**
including:		
distribution of profit allocated to statutory reserve funds	*1,109*	*-*

AP Auto Partner CZ s.r.o.	**-**	**53**
including:		
interest on loan advanced	*-*	*47*
interest on finance lease	*-*	*6*
corporate surety	*-*	*-*
Total	**13,141**	**10,836**

Finance costs	**Period ended September 30th 2023**	**Period ended September 30th 2022**
Maxgear Sp. z o.o. Sp. komandytowa	**(509)**	**(441)**
including:		
corporate surety	*(509)*	*(441)*
Total	**(509)**	**(441)**

Purchase of goods and other purchases	**Period ended September 30th 2023**	**Period ended September 30th 2022**
Maxgear Sp. z o.o. Sp. komandytowa	**271,559**	**338,064**
including:		
purchase of goods	*271,559*	*338,064*
Total	**271,559**	**338,064**

Receivables	**As at September 30th 2023**	**As at December 31st 2022**
Maxgear Sp. z o.o. Sp. komandytowa	**11,864**	**12,225**
including:		
trade receivables	*-*	*121*
share of profit receivables	*11,864*	*12,104*
AP Auto Partner CZ s.r.o.	**4,625**	**15,523**
including:		
trade receivables	*4,625*	*15,523*
Total	**16,489**	**27,748**

Liabilities	**As at September 30th 2023**	**As at December 31st 2022**
Maxgear Sp. z o.o. Sp. komandytowa	**26,488**	**63,806**
including:		
trade payables	*26,488*	*63,806*
Total	**26,488**	**63,806**

III. Key supplementary information to the consolidated quarterly report

1. The Company and the Group
Overview of the Group

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

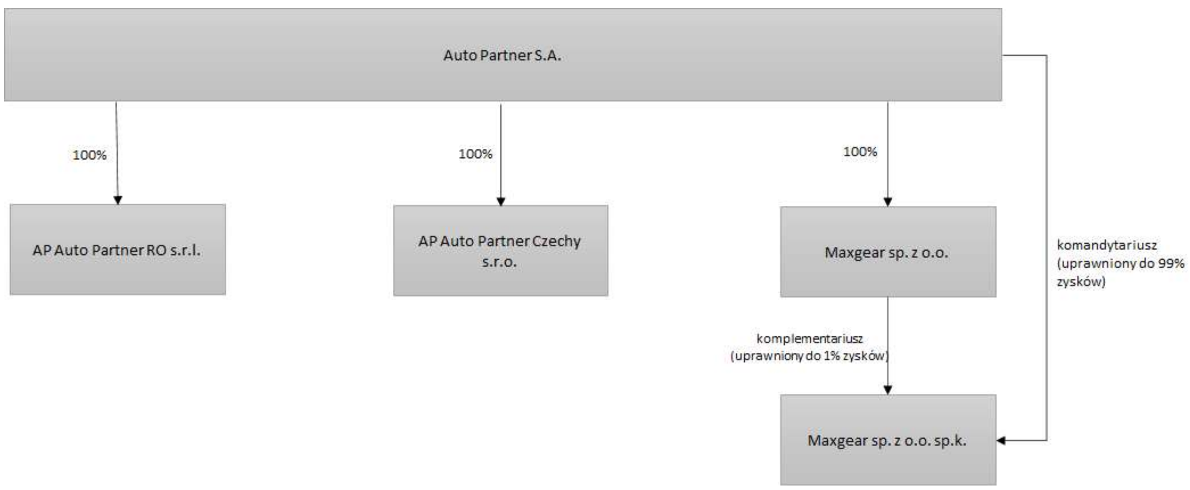
Registered office:	Bieruń
Legal form:	joint stock company
Country of incorporation:	Poland
Address:	ul. Ekonomiczna 20, 43-150 Bieruń
Tel./Fax:	+48 32,325 15 00 / +48 32,325 15 20
Email:	kontakt@autopartner.com
Website:	www.autopartner.com

As at September 30th 2023, in addition to the parent, the Group included the following subsidiaries: Maxgear Spółka z ograniczoną odpowiedzialnością of Tychy (wholly-owned by the Parent), Maxgear Spółka z ograniczoną odpowiedzialnością spółka komandytowa of Bieruń (the Parent is a limited partner in the company, entitled to 99% of its profits), AP Auto Partner CZ s.r.o. of Prague, the Czech Republic (wholly-owned by the Parent), and AP Auto Partner RO s.r.l of Bucharest, Romania (wholly-owned by the Parent).

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

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

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



Source: the Group.

Material subsidiaries of Auto Partner S.A.

Maxgear sp. z o.o.

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

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

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

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

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

AP Auto Partner CZ s.r.o.

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

AP Auto Partner RO s.r.l.

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

2. Rules of preparation of consolidated quarterly report

The interim condensed consolidated financial statements have been prepared in accordance with IAS and IFRS and the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated March 29th 2018. In its consolidated quarterly report the Company also includes quarterly financial information containing the information specified in Par. 66.1 - Par. 66.4, Par. 66.5, first sentence, Par. 66.8.13 and Par. 66.9 of the Regulation.

3. Significant events with material bearing the parent's and the Group's business in and financial results for the nine months ended September 30th 2023

The following events and factors had bearing on the Company's business in and financial results for the nine months ended September 30th 2023:

1. On January 2nd 2023, the Company entered into an agreement with Global One Automotive GmbH of Frankfurt whereby it advanced a loan of EUR 750,000.00 to Global One. The agreement was concluded for a definite term until July 31st 2023. The Company holds 6.25% of shares in Global One Automotive GmbH as a participant in the International Purchasing Group (since 2017).
2. On February 6th 2023, the Company signed an amendment to a lease contract with Westinvest Gesellschaft für Investmentfonds mbH of Düsseldorf, Germany. The term of the lease contract concerning the Company's registered office and warehouse in Bieruń was extended until May 30th 2034.

3. February 15th 2023 saw the execution of Amendment 2 to the loan agreement signed on January 2nd 2014 with the Company's shareholders Aleksander Górecki and Katarzyna Górecka. The Amendment changed the terms and conditions concerning interest charged on the loan: as of January 1st 2023 the interest rate will be variable and based on 3M WIBOR plus a margin (previously the interest rate was fixed).
4. On February 6th 2023, the Company signed an amendment to the Multi-Facility Agreement with Santander Bank Polska Spółka Akcyjna of Warsaw of September 26th 2016, as subsequently amended from time to time. The amendment increased the multi-facility limit from PLN 65,000,000.00 (including, among others, a credit facility sublimit in the euro) to a maximum amount of PLN 90,000,000. The facility is to be used to finance the day-to-day operations of Auto Partner S.A. The availability of the limits under the multi-facility was extended until March 31st 2026. Interest on the debt is calculated based on floating rates (plus a margin): 1M WIBOR for debt in the Polish złoty and 1M EURIBOR for debt in the euro.
5. On February 10th 2023, at the Company's request, all contractual security instruments were released and the reverse factoring agreement executed with Santander Factoring Sp. z o.o. on March 29th 2019 was formally terminated.
6. On February 21st 2023, the Company signed a deed establishing a foundation under the name Auto Partner with its seat in Bieruń. The Foundation's objects are as follows: provision of social assistance, charitable activities, educational activities, health protection and promotion, promotion of volunteering, ecology and animal protection, and protection of natural heritage, cultural activities, promotion of physical culture and sport, assistance to victims of catastrophes, natural disasters, armed conflicts and wars in Poland and abroad, public order and security activities.
7. On March 31st 2023, the Management Board of the Company passed a resolution to recommend that the Annual General Meeting vote to pay dividend of PLN 19,593,000, i.e. PLN 0.15 per share, for the financial year 2022. At the meeting held on April 17th 2023, the Supervisory Board endorsed the recommendation. At its meeting held on May 25th 2023, the Annual General Meeting passed a resolution granting the request, setting June 1st 2023 as the dividend record date. The dividend was paid on June 15th 2023.
8. Following repayment on March 27th 2023 of a non-revolving working capital facility of PLN 15,000,000, granted by mBank S.A., on April 5th 2023 the Company signed a working capital credit facility agreement with mBank S.A. of Warsaw. Under the agreement, a revolving working capital credit facility of PLN 15,000,000 was advanced to the Company to finance its day-to-day operations. The facility, repayable by December 12th 2024, has a floating interest rate of 1M WIBOR plus a margin.
9. On May 31st 2023, the Supervisory Board of the Company resolved to determine the amount of bonuses for 2022 for members of the Company's Management Board under the Rules of the Incentive Scheme for 2022–2024, based on verification of delivery of the business targets provided for in the Scheme. Pursuant to the resolution and based on the Rules of the Incentive Scheme of September 10th 2021, as amended, and on the data contained in the audited consolidated financial statements of the Auto Partner Group for 2022 that were received by the Annual General Meeting on May 25th 2023, as well as on the verification of delivery of the business targets provided for in the Rules, the Supervisory Board decided to grant bonuses for 2022 to the Scheme participants Andrzej Manowski, Vice President of the Management Board, Piotr Janta, Vice President of the Management Board, and Tomasz Werbiński, Member of the Management Board. With the achievement of the financial objectives in 2022, the amount allocated for bonuses for the entire duration of the Incentive Scheme for 2022–2024 was already exhausted in 2022.
10. On May 31st 2023, the General Meeting of MAXGEAR Spółka z ograniczoną odpowiedzialnością resolved to determine the amount of bonuses for members of the Company's Management Board under the Rules of the Incentive Scheme for 2022–2024, based on verification of delivery of the business targets provided for in the Scheme. Pursuant to the resolution and based on the Rules of the Incentive Scheme as adopted by the General Meeting on January 10th 2022 the General Meeting of MAXGEAR Sp. z o.o. decided to grant bonuses for 2022 to the Scheme participants Grzegorz Pal and Arkadiusz Cieplak, Members of the Management Board. With the achievement of the financial objectives in 2022, the amount allocated for bonuses for the entire duration of the Incentive Scheme for 2022–2024 was already exhausted in 2022.
11. On September 12th 2023, the following amendments were signed with BNP Paribas Bank Polska S.A.:
    - Amendment 3 to the multi-purpose credit facility agreement of September 13th 2021 to change the facility maturity date to September 11th 2025, and
    - Amendment 1 to the revolving credit facility agreement of January 24th 2022 to change the facility maturity date to September 11th 2025.
12. On September 12th 2023, Amendment 1 was signed to the investment credit facility agreement of September 13th 2022 with Credit Agricole Bank Polska S.A. to change the facility availability period to until September 13th 2024 and the facility maturity date to September 15th 2028 as well as to increase the credit limit under the facility to PLN 15,000,000.

The Company’s financial performance was also affected by:

- continued expansion and sales growth,
- a periodic decrease in gross margin (especially in the first half of 2023) relative to previous periods, largely attributable to sales of inventory purchased in the second half of 2022, which saw unprecedented depreciation of the PLN and inflated transport costs, at a time of a strongly appreciated PLN against the EUR and the USD, coupled with a significant decline in freight rates,
- year-on-year increase in interest rates (in the first nine months of 2022, the WIBOR rates were on average lower than in the first nine months of 2023), which translated into higher finance costs despite the absence of an increase in average nominal debt for the entire period,
- salary increases to keep pace with inflation,
- effective inventory and procurement management which enabled reducing liabilities under borrowings and leases as at the reporting date to a level much below that reported as at September 30th 2022. The net debt to EBITDA ratio remained low, standing at 0.8 as at the reporting date.

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

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

As for the declared state of the coronavirus pandemic and its consequences, in the third quarter of 2023 the Group did not identify any impediments to its business or any direct impact on its financial performance.

Neither did the Group identify any impact of the war in Ukraine on its operations in the third quarter of 2023. The exposure of the Company and its subsidiaries to the Ukrainian market is negligible, accounting for less than 0.5% of the monthly revenue currently generated. The effect of the situation in Ukraine on the Group’s operations in the reporting period was therefore neutral.

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

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

6. Management Board’ position on the feasibility of published forecasts

The Management Board did not publish any forecasts of the Company’s or the Group’s results for 2023.

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

In the period from the issue of the consolidated half-year report for the six months ended June 30th 2023, i.e. September 14th 2023, to the date of issue of this report, i.e. November 21st 2023, 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 21st 2023, i.e. the issue date of this report, were:

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

Emerytalne S.A.				

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

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

To the best of the Company's knowledge, in the period from the issue of the extended consolidated report for the first half of 2023 (September 14th 2023) to the date of issue of this Report (November 21st 2023), no changes occurred in the holdings of Company shares by members of the Company's Management and Supervisory Boards.

The table below presents holdings of members of the Management Board and the Supervisory Board as at the issue date of this Report, as per representations received from the persons concerned.

Full name	Position	Number of Company shares held	Par value of the shares (PLN)
Aleksander Górecki	President of the Management Board	28,383,577	2,838,357.70
Andrzej Manowski	Vice President of the Management Board	375,000	37,500.00
Piotr Janta	Vice President of the Management Board	209,000	20,900.00
Jarosław Plisz	Chair of the Supervisory Board	20	2.00
	total:	**28,967,597**	

Source: the Group.

9. Material court, arbitration and administrative proceedings

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

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

The Group companies enter into related-party transactions exclusively on an arm's length basis. For detailed information on related-party transactions, see Note 25 to the interim condensed consolidated financial statements and Note 4 to the quarterly financial information of the parent for the three months to September 30th 2023.

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

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

12. Business of the Auto Partner Group

Overview of key products, goods and services

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

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

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

- Accessories
- Shock absorbers and springs
- Filters

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

Overview of the Group's geographical markets

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

Revenue structure by domestic and export sales:

	Period ended September 30th			
	2023		2022	
	PLN '000	share (%)	PLN '000	share (%)
Sales of merchandise – Poland	1,370,032	50.2%	1,055,748	50.3%
Sales of merchandise – EU	1,328,016	48.6%	1,021,179	48.7%
Sales of merchandise – other exports	31,507	1.2%	18,062	0.9%
Sales of services – Poland	767	0.0%	1,222	0.1%
Sales of services – EU	1,137	0.0%	1,523	0.1%
Total	**2,731,459**	**100%**	**2,097,734**	**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 2023

In the nine months ended September 30th 2023, the Group recorded a 30.2% year-on-year increase in sales. The increase was driven to a greater extent by higher foreign sales (+30.7%), although in Poland the growth rate was also just as high (+29.7%). Also, the effect of inflation on revenue growth was significantly stronger than in prior periods.

Gross margin went down year on year (to 27.2% from 29.7%), despite further increase in the share of export sales with lower gross margin, but also lower operating expenses. A periodic year-on-year decline in gross margin recorded especially in the first half of 2023 was largely attributable to sales of inventory purchased in the second half of 2022, which saw unprecedented depreciation of the PLN and inflated transport costs, at a time of a strongly appreciated PLN against the EUR and the USD, coupled with a significant decline in freight rates.

Although costs were clearly affected by high inflation (including wage pressure), the increase in the Group's operating expenses in the first nine months of 2023 was lower than the increase in revenue.

Net profit and net margin were also impacted by significantly higher finance costs resulting from steep increases in interest rates. On average, in the first three quarters of 2022 the WIBOR rates were lower than in the first three quarters of 2023. With nominal debt remaining at a similar level, this led to a year-on-year increase in finance costs. Net margin fell from 7.5% to 6.3% year on year.

As a result of the above factors, in the nine months ended September 30th 2022 the Group reported a net profit of PLN 172.8m (PLN 156.5m in the corresponding period of the previous year), up by 10.4% 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 on the value of trade receivables and payables, and thus on the value of selected ratios concerning some of the previous periods. The presentation is changed starting from the financial statements for 2020, prepared as at December 31st 2020. The data as at the previous reporting dates, used to calculate the ratios, have been restated accordingly, resulting in changes in the ratios relative to those published in previous financial statements. The other presentation change concerned employee benefit obligations. The change was first made in the financial statements as at June 30th 2020, with data as at the previous reporting dates restated for ratio calculation purposes.

Profitability metrics

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

	For the period ended September 30th consolidated financial statements		
	2023	2022	2021
	PLN '000	PLN '000	PLN '000
EBITDA (PLN '000)[1]	268,613	235,863	203,364
Gross margin (%)[2]	27.2	29.7	28.5
EBITDA margin (%)[3]	9.8	11.2	12.1
EBIT margin (%)[4]	8.7	10.1	11.0

Pre-tax profit margin (%)[5]	7.9	9.2	10.7
Net profit margin (%)[6]	6.3	7.5	8.6

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	
	2023	2022	2022	2021
	PLN '000	PLN '000	PLN '000	PLN '000
ROE (%)[7]	25.1	28.9	27.7	32.7
ROA (%)[8]	14.3	15.8	14.9	18.7

Source: the Group.

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

Efficiency metrics

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

	As at consolidated financial statements			
	September 30th 2023	September 30th 2022	December 31st 2022	December 31st 2021
	days	days	days	days
Inventory turnover period (days)[1*]	134	150	158	141
Average collection period (days)[2]	31	33	34	30
Average payment period (days)[3]	27	25	24	23
Cash conversion cycle[4]	137	159	168	148

Source: the Group.

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

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

Debt ratios

The table below presents the Group's debt ratios.

	As at consolidated financial statements			
	September 30th 2023	September 30th 2022	December 31st 2022	December 31st 2021
	PLN '000	PLN '000	PLN '000	PLN '000
Total debt ratio (%)[1]	39.8	45.4	46.3	45.5
Long-term debt ratio (%)[2]	12.9	17.3	17.2	15.0
Short-term debt ratio (%)[3]	26.9	28.1	29.2	30.5
Equity-to-debt ratio (%)[4]	151.4	120.1	115.9	119.8

Source: the Group.

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

Liquidity ratios

The table below presents the Group's liquidity ratios.

	As at consolidated financial statements		
	September 30th 2023	December 31st 2022	December 31st 2021
	PLN '000	PLN '000	PLN '000
Current ratio[1]	3.03	2.81	2.75
Quick ratio[2]	0.82	0.69	0.70
Cash ratio[3]	0.08	0.08	0.05

Source: the Group.

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

Workforce

The Group's workforce is as follows:

	As at September 30th 2023	As at December 31st 2022
Number of employees	2643	2327

Source: the Group.

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

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

- The opening in December 2022 of a new logistics and storage centre in Poznań, with a total area of 14,672 sq m, including 13,660 sq m of warehouse space, under a lease contract signed with MLP Poznań West II Sp. z o.o. of Pruszków on September 22nd 2021.
- The establishment of a new logistics and storage centre in Zgorzelec, comprising 28,534 sq m of storage, maintenance and utility space and 1,117 sq m of office and staff amenity space, under lease contract signed with MLP Poznań East spółka z ograniczoną odpowiedzialnością of Pruszków on December 22nd 2022. In accordance with the contract, the Lessor will deliver the leased space to Auto Partner S.A. by June 3rd 2024. Work to place the logistics and storage centre in service is expected to end in the third quarter of 2025.
- Inflation rate in the areas with a significant impact on the Group's profit or loss.
- Movements of currency exchange rates, in particular the USD/PLN and EUR/PLN exchange rates.
- Market interest rates underlying the interest rates paid on bank borrowings and variable-rate lease contracts, including, without limitation, WIBOR rates.

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

After the reporting date, the Company executed annexes to lease contracts whereby the leased storage space in the main warehouse in Bieruń was increased. On October 4th 2023, the Company signed an annex to the lease contract concluded on June 28th 2013 with WESTINVEST GESELLSCHAFT FÜR INVESTMENTFONDS MBH of Düsseldorf (the Lessor) whereby the space leased by Auto Partner S.A. (the Lessee) in the Bieruń Logistics Park was increased by approximately 10,110 sq m in the case of storage space and approximately 981 sq m in the case of office and amenity space. A similar annex was also signed on February 6th 2023 to the lease contract with WESTINVEST GESELLSCHAFT FÜR INVESTMENTFONDS MBH of Düsseldorf. As of May 29th 2024, the annex will be an extension of the existing lease contract of June 28th 2013 for locations in Bieruń.

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

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

This quarterly report was authorised for issue by the Management Board on November 20th 2023.

Signatures of the Management Board Members

Aleksander Górecki – President of the Management Board

Andrzej Manowski – Vice President of the Management Board

Piotr Janta – Vice President of the Management Board

Tomasz Werbiński Member of the Board of Management

Signature of the person responsible for accounting records

Kamila Obłodecka Pieńkosz – Chief Accountant