
Quarterly report of the Auto Partner Group for the three months ended 31 March 2024



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This quarterly report of the Auto Partner Group for the three months ended 31 March 2024 contains the interim condensed consolidated financial statements of the Group. This document also includes the quarterly financial information of the parent prepared in accordance with Section 62.1 of the Regulation of the Minister of Finance of 29 March 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	3 months ended	
		31 March 2024	31 March 2023
STATEMENT OF PROFIT OR LOSS		(unaudited)	(unaudited)
Revenue from contracts with customers	7	994,751	836,645
Cost of sales	8	(733,859)	(615,871)
Gross profit		260,892	220,774
Distribution costs and marketing expenses	8	(114,651)	(96,064)
Warehousing costs	8	(74,643)	(55,556)
Management and administrative expenses	8	(13,050)	(10,979)
Other net gains/(losses)	9	(1,836)	3,983
Other income		180	35
Other expenses		(804)	(195)
Operating profit		56,088	61,998
Finance income	10	1,077	118
Finance costs	11	(6,638)	(8,795)
Profit before tax		50,527	53,321
Income tax	12	(10,206)	(10,302)
Profit from continuing operations		40,321	43,019
Net profit		40,321	43,019
OTHER COMPREHENSIVE INCOME			
Exchange differences on translation of foreign operations		(266)	(154)
Other comprehensive income that will be reclassified to profit or loss, after tax		(266)	(154)
Net other comprehensive income		(266)	(154)
TOTAL COMPREHENSIVE INCOME		40,055	42,865
Net profit attributable to:			
owners of the parent		40,321	43,019
non-controlling interests		-	-
Total comprehensive income attributable to:			
owners of the parent		40,055	42,865
non-controlling interests		-	-
Earnings per share (PLN per share)			
basic earnings per share from continuing operations (PLN)		0.31	0.33
basic earnings per share (PLN)		0.31	0.33
diluted earnings per share from continuing operations (PLN)		0.31	0.33
diluted earnings per share (PLN)		0.31	0.33

Interim consolidated statement of financial position

	Note	As at 31 March 2024	As at 31 December 2023	As at 31 March 2023
ASSETS		(unaudited)		(unaudited)
Non-current assets				
Intangible assets	14	34,718	34,944	29,036
Property, plant and equipment	13	343,896	331,960	255,430
Investments in other entities		110	110	110
Other long-term receivables	17	4,564	4,494	4,223
Deferred tax assets	12	1,280	1,034	2,178
Total non-current assets		384,568	372,542	290,977
Current assets				
Inventories	16.1	998,476	1,006,367	948,192
Contract asset	16.2	20,522	19,366	16,544
Trade and other receivables	17	332,265	357,031	283,503
Other financial assets	15	3,264	-	3,551
Current tax assets	12	-	1,257	209
Cash and cash equivalents		35,228	37,360	53,043
Total current assets		1,389,755	1,421,381	1,305,042
Total assets		1,774,323	1,793,923	1,596,019
EQUITY AND LIABILITIES				
Equity				
Share capital issued	18	13,062	13,062	13,062
Share premium		106,299	106,299	106,299
Other components of equity		2,103	2,103	2,103
Exchange differences on translation of foreign operations		(1,923)	(1,657)	(1,186)
Retained earnings		966,706	926,385	765,411
Equity attributable to owners of the parent		1,086,247	1,046,192	885,689
Total equity		1,086,247	1,046,192	885,689
Non-current liabilities				
Long-term borrowings	19	59,379	104,146	97,000
Lease liabilities	21	150,915	152,413	110,787
Employee benefit obligations and provisions	22	2,135	1,927	2,835
Deferred tax liability	12	8,607	33,086	3,867
Total non-current liabilities		221,036	291,572	214,489
Current liabilities				
Trade and other payables	20.1	223,153	154,107	220,084
Contract liabilities	20.2	29,023	26,896	23,105
Short-term borrowings	19	110,515	196,135	136,160
Lease liabilities	21	35,098	37,306	40,717
Current tax liability	12	22,271	12	31,818
Employee benefit obligations and provisions	22	38,011	33,267	36,517
Short-term provisions		8,969	8,436	7,440
Total current liabilities		467,040	456,159	495,841
Total liabilities		688,076	747,731	710,330
Total equity and liabilities		1,774,323	1,793,923	1,596,019

Interim consolidated statement of cash flows

<i>indirect method</i>	Note	3 months ended	
		31 March 2024	31 March 2023
		(unaudited)	(unaudited)
Cash flows from operating activities			
Profit before tax		50,527	53,321
Adjustments:		132,698	118,171
Depreciation and amortisation		13,027	9,976
Foreign exchange gains/(losses)		(1,079)	(321)
Adjustments for gains/(losses) on sale of non-current assets		17	30
Other adjustments with cash flows from financing or investing activities		(39)	(41)
Interest		6,623	8,720
Change in inventories		7,891	7,538
Change in contract asset		(1,156)	(2,960)
Change in trade and other receivables		23,691	(2,038)
Change in trade and other payables		76,111	88,766
Change in contract liabilities		2,127	3,794
Change in employee benefit obligations and provisions		5,485	4,707
Cash from operating activities		183,225	171,492
Income tax paid		(11,416)	(9,761)
Net cash from operating activities		171,809	161,731
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(21,011)	(5,377)
Disposal of property, plant and equipment and intangible assets		36	85
Loans		(3,260)	(3,537)
Repayment of loans		-	1
Net cash from investing activities		(24,235)	(8,828)
Cash flows from financing activities			
Borrowings repaid		(129,897)	(115,028)
Payment of lease liabilities		(12,690)	(10,407)
Interest and fees paid		(7,073)	(9,306)
Net cash from financing activities		(149,660)	(134,741)
Change in cash before exchange rate changes		(2,086)	18,162
Effect of exchange rate changes on cash		(46)	(50)
Net change in cash		(2,132)	18,112
Cash and cash equivalents at beginning of period		37,360	34,931
Cash and cash equivalents at end of period		35,228	53,043

Interim consolidated statement of changes in equity

	Share capital issued	Share premium	Capital from issue of warrants	Translation reserve	Retained earnings	Equity attributable to owners of the parent	Total equity
(unaudited)							
As at 1 January 2024	13,062	106,299	2,103	(1,657)	926,385	1,046,192	1,046,192
Net profit	-	-	-	-	40,321	40,321	40,321
Other comprehensive income	-	-	-	(266)	-	(266)	(266)
Total comprehensive income	-	-	-	(266)	40,321	40,055	40,055
Dividends paid	-	-	-	-	-	-	-
Total changes in equity	-	-	-	(266)	40,321	40,055	40,055
As at 31 March 2024	13,062	106,299	2,103	(1,923)	966,706	1,086,247	1,086,247
(unaudited)							
As at 1 January 2023	13,062	106,299	2,103	(1,032)	722,392	842,824	842,824
Net profit	-	-	-	-	223,586	223,586	223,586
Other comprehensive income	-	-	-	(625)	-	(625)	(625)
Total comprehensive income	-	-	-	(625)	223,586	222,961	222,961
Dividends paid	-	-	-	-	(19,593)	(19,593)	(19,593)
Total changes in equity	-	-	-	(625)	203,993	203,368	203,368
As at 31 December 2023	13,062	106,299	2,103	(1,657)	926,385	1,046,192	1,046,192
(unaudited)							
As at 1 January 2023	13,062	106,299	2,103	(1,032)	722,392	842,824	842,824
Net profit	-	-	-	-	43,019	43,019	43,019
Other comprehensive income	-	-	-	(154)	-	(154)	(154)
Total comprehensive income	-	-	-	(154)	43,019	42,865	42,865
Dividends paid	-	-	-	-	-	-	-
Total changes in equity	-	-	-	(154)	43,019	42,865	42,865
As at 31 March 2023	13,062	106,299	2,103	(1,186)	765,411	885,689	885,689

Notes

1. About the Auto Partner Group

1.1. Principal business

The principal business of Auto Partner S.A. and the Auto Partner Group 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.

1.2. About Auto Partner S.A.

Name of the reporting entity: Auto Partner S.A.

Registered office address: ul. Ekonomiczna 20, 43-150 Bieruń, Poland.

Registered office: Poland

Principal place of business: Auto Partner S.A. conducts operations mainly in the territory of Poland.

Country of registration: Poland

Legal form: Joint stock company (Spółka Akcyjna). The Company is entered in the National Court Register at the District Court for Katowice-Wschód, 8th Commercial Division of the National Court Register, under No. KRS 0000291327.

Tax Identification Number (NIP): 6340011017

Industry Identification Number (REGON): 276249079

Legal Entity Identifier (LEI): 259400NXH0FT0MF6PV21

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

Aleksander Górecki – President of the Management Board,

Andrzej Manowski – Vice President of the Management Board,

Piotr Janta – Vice President of the Management Board,

Tomasz Werbiński – Member of the Management Board.

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

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.

1.5. Auditor

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

1.6. Listing venue

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

1.7. Consolidated subsidiaries as at 31 March 2024

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

Entity	Principal business	Registered office	% ownership interest	% ownership interest
			As at 31 March 2024	As at 31 December 2023
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.

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 Group companies is the same as the calendar year.

2. Statement of compliance and basis of accounting

These interim condensed consolidated financial statements (these "financial statements") of the Group for the three months from 1 January to 31 March 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and do not include all the information and disclosures required to be included in full-year consolidated financial statements. These interim condensed consolidated financial statements should be read in conjunction with the audited full-year consolidated financial statements for the year ended 31 December 2023 prepared in accordance with IFRS.

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 31 December 2023.

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.

These interim condensed consolidated financial statements of the Auto Partner Group for the three months ended 31 March 2024, including the notes and the quarterly separate financial information of the parent Auto Partner S.A. for the three months ended 31 March 2024, were authorised for issue by the Management Board on 21 May 2024.

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 2024:

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.

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 IASB issued further amendments to IAS 1, which address the classification of liabilities as non-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 Group has assessed the amendments listed above and found that they have not had a material effect on the financial statements.

Listed below are the issued standards and interpretations that are not yet effective and have not been early adopted by the Group.

Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*

In August 2023, the IASB published amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*, which are intended to help entities determine whether a currency is exchangeable for another currency and estimate the spot exchange rate if it is not. In addition, where a currency is not exchangeable, the amended standard requires disclosure of additional information on how an alternative exchange rate is determined. The amendments are effective for financial statements for periods beginning on or after 1 January 2025. As at the date of these financial statements, the amendments were not yet endorsed by the European Union.

IFRS 18 *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosures in Financial Statements*, a new standard replacing IAS 1 *Presentation of Financial Statements*, effective from 1 January 2027. The main changes compared with the previous standard pertain to the statement of profit or loss, required disclosures about certain performance measures, and the aggregation of information contained in financial statements. The new standard is effective for financial statements for periods beginning on or after 1 January 2027. As at the date of these financial statements, the amendments had not yet been 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. As at the date of these financial statements, the amendments had not yet been endorsed by the European Union.

The amendments listed above will have no material effect on the financial statements.

4. Material judgements 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 interim condensed 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 as at	31 March 2024	31 December 2023
CZK	0.1700	0.1889
RON	0.8655	0.9145

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

Average NBP mid rate for reporting period	3 months to 31 March 2024	3 months to 31 March 2023
CZK	0.1719	0.1987
RON	0.8691	0.9532

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 presents revenue from contracts with customers by geographical region, i.e., domestic, EU and non-EU sales. The Group does not have key customers and sales to none of the Group's customers exceed 10% of total sales.

	Period ended 31 March 2024	Period ended 31 March 2023
Revenue from sales of merchandise	993,417	836,171
including:		
Sales of merchandise – Poland	489,397	405,513
Sales of merchandise – EU	495,906	420,644
Sales of merchandise – other exports	8,114	10,014
Revenue from sales of services	1,334	474
including:		
Sales of services – Poland	169	202
Sales of services – EU	1,165	272
Total revenue from contracts with customers	994,751	836,645

8. Costs by nature of expense and cost of sales

	Period ended 31 March 2024	Period ended 31 March 2023
Depreciation and amortisation	(13,027)	(9,976)
Raw materials and consumables used	(9,448)	(8,308)
Services	(108,995)	(85,249)
Taxes and charges	(1,368)	(1,194)
Employee benefits expense	(66,742)	(55,633)
Other costs by nature of expense	(2,918)	(2,240)
Merchandise, materials and services sold	(733,705)	(615,870)
Total costs by nature of expense	(936,203)	(778,470)

Cost of sales	(733,859)	(615,871)
Distribution costs and marketing expenses	(114,651)	(96,064)
Warehousing costs	(74,643)	(55,556)
Management and administrative expenses	(13,050)	(10,979)
Total costs by function of expense	(936,203)	(778,470)

	Period ended 31 March 2024	Period ended 31 March 2023
Merchandise and materials sold	(733,668)	(615,835)
Services sold	(191)	(36)
Cost of sales	(733,859)	(615,871)

9. Other net gains/(losses)

	Period ended 31 March 2024	Period ended 31 March 2023
Foreign exchange gains/(losses) on operating activities – unrealised	(1,937)	1,220
Foreign exchange gains/(losses) on operating activities – realised	553	2,663
Gains/(losses) on impairment of receivables	(528)	(70)
Other	76	170
Total other net gains/(losses)	(1,836)	3,983

10. Finance income

	Period ended 31 March 2024	Period ended 31 March 2023
Foreign exchange gains/(losses) on financing activities	949	-
Interest on loans	39	41
Interest on trade receivables	35	47
Interest on bank deposits	49	-
Other finance income	5	30
Total finance income	1,077	118

11. Finance costs

	Period ended 31 March 2024	Period ended 31 March 2023
Interest expense:		
Interest on term and overdraft facilities	(3,714)	(5,585)
Interest on non-bank borrowings from related entities	(550)	(620)
Interest on lease liabilities (other leases)	(1,345)	(1,538)
Interest on lease liabilities (office and warehouse space leases)	(827)	(792)
Other interest expense	(1)	(49)
	(6,437)	(8,584)
Other finance costs:		
Foreign exchange gains/(losses) on financing activities	-	(20)
Credit commissions and fees	(188)	(181)
Factoring commissions and fees	-	(3)
Other finance costs	(13)	(7)

	(201)	(211)
Total finance costs	(6,638)	(8,795)

12. Income tax

	Period ended 31 March 2024	Period ended 31 March 2023
Profit before tax	50,527	53,321
Income tax at 19%	(9,600)	(10,131)
Differences	(606)	(171)
Total income tax disclosed in the statement of comprehensive income	(10,206)	(10,302)
including:		
Current income tax:		
For current year	(34,931)	(21,895)
For previous years	-	-
	(34,931)	(21,895)
Deferred income tax:		
For current year	24,725	11,593
	24,725	11,593
	(10,206)	(10,302)
Profit before tax	50,527	53,321
Income tax	(10,206)	(10,302)
Effective tax rate	20.20%	19.32%

Current tax assets and liabilities

	As at 31 March 2024	As at 31 December 2023
Current tax assets	-	1,257
Current tax liability (i)	22,271	12

(i) As at the end of March 2024, current tax liability resulted mainly from the simplified method of making advance payments of income tax by the parent.

	As at 31 December 2023	Recognised in profit or loss for 2024	As at 31 March 2024
Temporary differences on deferred tax assets and liabilities			
Deferred tax assets			
Difference arising from rebate assets and inventory discounts	13,125	2,965	16,090
Difference arising from contracts with customers	3,198	(875)	2,323
Difference arising from estimated right to return merchandise	932	99	1,031
Merchandise write-down	1,289	160	1,449
Impairment loss on receivables	1,890	79	1,969
Provision for employee benefit obligations	1,609	465	2,074
Other provisions	1,472	(146)	1,326
Difference arising from social security contributions and employee capital plans	39	18	57
Elimination of margins on consolidation	3,891	(72)	3,819
Asset on tax loss of subsidiary	1,023	(248)	775
Difference arising from outstanding interest	104	122	226
Difference arising from inventory adjustment assets	1,384	(746)	638
Other temporary differences	(83)	277	194
Total	29,873	2,098	31,971

Deferred tax liabilities			
Difference arising from property, plant and equipment and lease liabilities	(16,852)	(1,737)	(18,589)
Difference arising from adjusting invoices	(44,648)	24,072	(20,576)
Other temporary differences	(425)	292	(133)
Total	(61,925)	22,627	(39,298)
Total deferred tax asset (liability)	(32,052)	24,725	(7,327)

	As at 31 March 2024	As at 31 December 2023
Deferred tax assets	31,971	29,873
Deferred tax liability	(39,298)	(61,925)
Total	(7,327)	(32,052)
Offset within individual entities and tax jurisdictions	(30,691)	(28,839)
Deferred tax assets in the statement of financial position	1,280	1,034
Deferred tax liability in the statement of financial position	8,607	33,086

13. Property, plant and equipment

	As at 31 March 2024	As at 31 December 2023
-		
Buildings and structures	121,522	125,017
Machinery and equipment	135,552	122,664
Vehicles	16,516	16,445
Other	57,092	53,729
Property, plant and equipment under construction	13,214	14,105
Total carrying amount of property, plant and equipment	343,896	331,960

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 31 March 2024	As at 31 December 2023
-		
Buildings and structures	117,980	121,657
Machinery and equipment	66,642	66,201
Vehicles	11,392	11,449
Other	21,467	24,748
Property, plant and equipment under construction	-	-
Total carrying amount of property, plant and equipment under right-of-use arrangements	217,481	224,055

	Period ended 31 March 2024	Period ended 31 March 2023
-		
Buildings and structures	6,089	4,510
Machinery and equipment	1,713	1,795
Vehicles	431	366
Other	314	334

Total depreciation of property, plant and equipment under right-of-use arrangements	8,547	7,005
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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 31 December 2022	123,507	122,906	24,905	64,571	31,390	367,279
Increase						
Purchase	882	18,191	498	7,023	8,775	35,369
Accounting for property, plant and equipment under construction – purchase	135	2,931	-	102	(3,168)	-
Leases	72,366	6,255	4,501	2,996	-	86,118
Accounting for property, plant and equipment under construction – leases	-	22,601	-	291	(22,892)	-
Other	(12)	-	4	-	-	(8)
Decrease						
Disposal	-	(302)	(397)	(177)	-	(876)
Retirement	(544)	(116)	(129)	(29)	-	(818)
Other	-	(88)	(20)	(4)	-	(112)
Gross carrying amount as at 31 December 2023	196,334	172,378	29,362	74,773	14,105	486,952
Increase						
Purchase	342	9,888	39	2,067	1,736	14,072
Accounting for property, plant and equipment under construction – purchase	-	2,451	-	176	(2,627)	-
Leases	2,412	4,571	629	2,295	-	9,907
Accounting for property, plant and equipment under construction – leases	-	-	-	-	-	-
Other	-	-	-	-	-	-
Decrease						
Disposal	-	(36)	(105)	-	-	(141)
Retirement	-	(6)	-	(22)	-	(28)
Other	(5)	(6)	(5)	(24)	-	(40)
Gross carrying amount as at 31 March 2024	199,083	189,240	29,920	79,265	13,214	510,722
Accumulated depreciation as at 31 December 2022	51,124	36,781	11,193	17,101	-	116,199
Depreciation in period	20,700	13,329	2,084	4,057	-	40,170
Disposal	-	(290)	(281)	(77)	-	(648)
Retirement	(507)	(113)	(74)	(7)	-	(701)
Other	-	7	(5)	(30)	-	(28)
Accumulated depreciation as at 31 December 2023	71,317	49,714	12,917	21,044	-	154,992
Depreciation in period	6,246	4,010	562	1,142	-	11,960
Disposal	-	(30)	(69)	-	-	(99)
Retirement	-	(5)	-	(10)	-	(15)
Other	(2)	(1)	(6)	(3)	-	(12)
Accumulated depreciation as at 31 March 2024	77,561	53,688	13,404	22,173	-	166,826
Net carrying amount as at 31 December 2023	125,017	122,664	16,445	53,729	14,105	331,960
Net carrying amount as at 31 March 2024	121,522	135,552	16,516	57,092	13,214	343,896

14. Intangible assets

	As at 31 March 2024	As at 31 December 2023
-		
Software	25,126	24,592
Intangible assets under development	9,592	10,352
Total carrying amount of intangible assets	34,718	34,944

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 31 March 2024	As at 31 December 2023
-		
Software	2,638	2,856
Total carrying amount of right-of-use intangible assets	2,638	2,856

	Period ended 31 March 2024	Period ended 31 March 2023
-		
Software	96	121
Total amortisation of right-of-use intangible assets	96	121

Movements in intangible assets	Software	Other intangible assets	Intangible assets under development	Total
Gross carrying amount as at 31 December 2022	32,061	343	12,889	45,293
Increase				
Purchase	3,684	-	7,551	11,235
Accounting for intangible assets under development – purchase	10,088	-	(10,088)	-
Leases	(28)	-	-	(28)
Gross carrying amount as at 31 December 2023	45,805	343	10,352	56,500
Increase				
Purchase	174	-	667	841
Accounting for intangible assets under development – purchase	1,427	-	(1,427)	-
Other	-	-	-	-
Gross carrying amount as at 31 March 2024	47,406	343	9,592	57,341
Accumulated amortisation as at 31 December 2022	17,907	343	-	18,250
Amortisation in period	3,334	-	-	3,334
Other	(28)	-	-	(28)
Accumulated amortisation as at 31 December 2023	21,213	343	-	21,556
Amortisation in period	1,067	-	-	1,067
Other	-	-	-	-
Accumulated amortisation as at 31 March 2024	22,280	343	-	22,623
Net carrying amount as at 31 December 2023	24,592	-	10,352	34,944
Net carrying amount as at 31 March 2024	25,126	-	9,592	34,718

15. Other financial assets

On 24 January 2024, 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 1 February 2024 to 31 July 2024. The Company holds 6.25% of shares in Global One Automotive GmbH as a participant in the International Purchasing Group (since 2017).

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

16. Inventories and contract asset

16.1 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 31 March 2024	As at 31 December 2023
Merchandise	1,006,986	1,014,290
Write-downs	(8,510)	(7,923)
Total	998,476	1,006,367

Change in inventory write-downs

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

	Period ended 31 March 2024	Period ended 31 March 2023
-		
At beginning of period	(7,923)	(9,169)
Decrease	(943)	1,984
Increase	356	(47)
As at end of period	(8,510)	(7,232)

Inventories pledged as security

The Group created a registered pledge over inventories as security for bank borrowings. The amount of liabilities secured with the pledge is presented below.

	As at 31 March 2024	As at 31 December 2023
-		
Liabilities secured with pledge on inventories	119,965	255,586

16.2 Contract asset

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

	As at 31 March 2024	As at 31 December 2023
Contract asset	20,522	19,366

17. Trade and other receivables

	As at 31 March 2024	As at 31 December 2023
Trade receivables payable up to 12 months	226,267	203,558
Trade receivables payable in more than 12 months	2,659	2,570
Trade receivables from suppliers	49,219	110,668
Impairment losses on trade receivables	(10,326)	(9,863)
Total trade receivables	267,819	306,933
Receivables from card system operators	1,287	1,438
Rent deposits receivable	2,081	2,081
Other financial receivables	4,531	4,568
Impairment losses on other financial receivables	(867)	(867)
Total trade and other financial receivables	274,851	314,153
Prepaid deliveries	22,359	17,069
Prepayments and accrued income	11,417	7,999
VAT tax to be settled in future periods/refunded to bank account	27,490	21,187
Other non-financial receivables	712	1,117
Total non-financial receivables	61,978	47,372
Total trade and other receivables	336,829	361,525
Other long-term receivables	4,564	4,494
Trade and other receivables	332,265	357,031
Total trade and other receivables	336,829	361,525

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

	Period ended 31 March 2024	Period ended 31 March 2023
-		
At beginning of period	(9,863)	(8,223)
(Recognition)/Decrease	(463)	(356)
Write-off	-	87
As at end of period	(10,326)	(8,492)

Trade and other receivables pledged as security

Trade receivables are pledged as security for bank borrowings. The amount of receivables pledged as security in the reporting periods is presented below.

	As at 31 March 2024	As at 31 December 2023
Receivables pledged as security	140,291	110,910

18. Share capital

As at 31 March 2024, there were no changes in the share capital compared to 31 December 2023.

19. Borrowings

	As at 31 March 2024	As at 31 December 2023
Unsecured – at amortised cost		
Borrowings from related entities	27,250	27,250
	27,250	27,250
Secured – at amortised cost		
Overdraft facilities	34,475	109,540
Credit facilities	108,169	163,491
	142,644	273,031
Total borrowings	169,894	300,281
Non-current liabilities	59,379	104,146
Current liabilities (i)	110,515	196,135
Total borrowings	169,894	300,281

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

Borrowing agreements:

	Agreement	Repayment date	Limit	Currency	As at 31 March 2024	As at 31 December 2023
ING Bank Śląski S.A.	Multi-product facility agreement of 19 October 2015 No. 882/2015/00000925/00	10 Oct 2024	177,000			
	working capital facility in bank account			PLN	75	74,207
	working capital facility in credit account			PLN	30,241	70,560
Santander Bank Polska S.A.	Multi-facility agreement of 26 September 2016 No. K00922/16	31 Mar 2025	90,000			
	working capital facility in bank account			PLN	-	-
	working capital facility in credit account			PLN	30,249	50,326
mBank S.A.	Overdraft facility agreement of 22 October 2019 No. 11/145/19/Z/VV	30 Sep 2025	50,000			
	working capital facility in bank account			PLN	5	-
	working capital facility in bank account			EUR	-	419
mBank S.A.	Working capital facility in credit account agreement of 5 April 2023 No. 11/026/23/Z/LE.	13 Dec 2024	15,000			
	working capital facility in credit account			PLN	15,000	15,000

BNP Paribas Bank Polska S.A.	Multi-purpose credit facility agreement No. WAR/8806/21/537/CB of 13 September 2021	12 Sep 2025	50,000		
	working capital facility in bank account			PLN	34,376
	working capital facility in bank account			EUR	19
BNP Paribas Bank Polska S.A.	Revolving credit facility agreement No. WAR/8806/22/17/CB of 24 January 2022	12 Sep 2025	25,000		
	working capital facility in credit account			PLN	25,000
Credit Agricole Bank Polska S.A.	Investment credit facility agreement No. KRI/S/8/2022 of 13 September 2022	16 Sep 2028	15,000		
	investment credit facility in credit account			PLN	7,679
Katarzyna Górecka and Aleksander Górecki	Shareholder loan agreement of 2 January 2014	31 Dec 2026	26,700		
	loan agreement			PLN	27,250
Total					169,894
					300,281

During the period from 1 January to 31 March 2024, there were no changes in the terms and conditions of the agreements signed by the Group, as detailed the full-year consolidated financial statements for the year ended 31 December 2023.

20. Trade and other payables

20.1 Trade and other payables

	As at 31 March 2024	As at 31 December 2023
Trade payables due in up to 12 months	269,291	173,160
Trade receivables from suppliers	(54,583)	(33,702)
Taxes, customs duties, social security and other benefits payable	7,193	6,308
Liabilities arising from acquisition of property, plant and equipment and intangible assets	986	8,051
Other liabilities	266	290
	223,153	154,107
Current liabilities	223,153	154,107
Total	223,153	154,107

20.2 Contract liabilities

	As at 31 March 2024	As at 31 December 2023
Contract liabilities	860	593
Right-of-return liabilities (i)	28,163	26,303
Total	29,023	26,896

(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.

21. Financial liabilities under lease contracts

	As at 31 March 2024	As at 31 December 2023
Total payments under lease contracts		
Current lease liabilities	35,098	37,306
Non-current lease liabilities	150,915	152,413
Total	186,013	189,719

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 31 March 2024	Period ended 31 March 2023
Cost of short-term leases (i)	3,328	2,770
Cost of leases not disclosed due to the low value of underlying assets (ii)	420	351
Total	3,748	3,121

(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.

	As at 31 March 2024	As at 31 December 2023
Present (undiscounted) value of future lease liabilities (iii)	136,533	97,346

(iii) The Group entered into contracts which will be classified as leases under IFRS 16. However, the liabilities under these contracts were not disclosed as at the reporting date because the leased assets were not made available for use by the Group by 31 March 2024. These contracts are property leases and contracts for warehouse equipment, including primarily warehouse racks and warehouse control and measurement equipment.

22. Employee benefit obligations and provisions

	As at 31 March 2024	As at 31 December 2023
Salaries and wages payable	13,711	12,569
Social security and Employee Capital Plan obligations	13,242	11,877
Provision for accrued holiday entitlements	8,602	6,370
Provision for retirement and disability benefit obligations	1,111	898
Obligation under the Incentive Scheme for 2022	3,480	3,480
	40,146	35,194
Long-term employee benefit obligations and provisions	2,135	1,927
Short-term employee benefit obligations and provisions	38,011	33,267
Total	40,146	35,194

The table below shows changes in provisions:

	Period ended 31 March 2024	Period ended 31 March 2023
Provision for accrued holiday entitlements	(2,232)	(1,861)
Provision for retirement and disability benefit obligations	(213)	(177)
Total	(2,445)	(2,038)

23. Categories of financial instruments

	As at 31 March 2024	As at 31 December 2023
Financial assets		
Measured at fair value through profit or loss:	-	-
Measured at amortised cost:	313,343	351,513
<i>Cash</i>	35,228	37,360
<i>Trade and other financial receivables</i>	274,851	314,153
<i>Loans</i>	3,264	-
Financial assets excluded from the scope of IFRS 9 – shares	110	110
Financial liabilities		
Measured at fair value through profit or loss:	-	-
Measured at amortised cost:	386,448	448,383
<i>Trade payables</i>	214,708	139,458
<i>Contract liabilities</i>	860	593
<i>Liabilities arising from acquisition of property, plant and equipment and intangible assets</i>	986	8,051
<i>Borrowings</i>	169,894	300,281
Financial liabilities outside the scope of IFRS 9 – lease liabilities	186,013	189,719

Fair value

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

24. Related-party transactions

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

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

	Period ended 31 March 2024	Period ended 31 March 2023
Sales of merchandise and services and other income		
entities related to members of the Management Board and the Supervisory Board	4	13
<i>including:</i>		
<i>sales of merchandise</i>	-	-

<i>re-charge of costs</i>	4	13
members of management boards of subsidiaries	5	4
<i>including:</i>		
<i>sales of merchandise</i>	-	-
<i>re-charge of costs</i>	5	4
Total	9	17

	Period ended 31 March 2024	Period ended 31 March 2023
Purchase of merchandise and services and other purchases		
entities related to members of the Management Board and the Supervisory Board	537	557
<i>including:</i>		
<i>purchase of services</i>	537	557
members of management boards of subsidiaries	128	135
<i>including:</i>		
<i>purchase of services</i>	128	135
Total	665	692

	As at 31 March 2024	As at 31 December 2023
Receivables		
entities related to members of the Management Board and the Supervisory Board	4	55
members of management boards of subsidiaries	6	1
Total	10	56

	As at 31 March 2024	As at 31 December 2023
Liabilities		
entities related to members of the Management Board and the Supervisory Board	213	199
members of management boards of subsidiaries	48	36
Total	261	235

Presented below are transactions with and remuneration of members of the Management Board and the Supervisory Board.

	Period ended 31 March 2024	Period ended 31 March 2023
Sales of merchandise and services and other income		
Management Board members	9	8
<i>including:</i>		
<i>re-charge of costs</i>	9	8
Total	9	8

	As at 31 March 2024	As at 31 December 2023
Receivables		
Management Board members	74	97
Total	74	97

	Period ended 31 March 2024	Period ended 31 March 2023
Salaries		
Management Board members	349	264
Members of management boards of subsidiaries	60	60
Supervisory Board	62	50
Total	471	374

	As at 31 March 2024	As at 31 December 2023
Obligation under the Incentive Scheme		
Management Board members (note 22)	2,280	2,280
Members of management boards of subsidiaries (note 22)	1,200	1,200
Total	3,480	3,480

Loans from related entities are presented below.

	As at 31 March 2024	As at 31 December 2023
Loan advanced by Katarzyna Górecka and Aleksander Górecki (i) (note 19)	27,250	27,250
Total	27,250	27,250

	Period ended 31 March 2024	Period ended 31 March 2023
Finance costs		
Interest expense recognised	(550)	(620)
Total	(550)	(620)

(i) Aleksander Górecki, as the sole founder of Turzyńska Fundacja Rodzinna (the “Foundation”), a beneficiary of the Foundation, a member of the Foundation’s Beneficiaries’ Meeting, and the sole member of the Foundation’s Management Board, indirectly holds Company shares through the Foundation, representing 43.60% of the Company’s share capital and 43.60% of total voting rights at the Company’s General Meeting. Mr Górecki also serves as the President of the Management Board of the Company. Katarzyna Górecka is a member of the Beneficiaries’ Meeting of Turzyńska Fundacja Rodzinna and is a Beneficiary of the Foundation.

25. Dividend for 2023

On 28 March 2024, the Management Board of the Company passed a resolution to recommend a dividend payment for the financial year 2023 to the Annual General Meeting.

Pursuant to the resolution, the Management Board recommended a dividend payment to the Company’s shareholders totalling PLN 19,593,000, or PLN 0.15 per share. On 10 April 2024, the Supervisory Board resolved to endorse the Management Board’s recommendation. When finalising the decision regarding dividend payment, the Annual General Meeting scheduled for 24 May 2024 will establish the date for determining the list of shareholders eligible to receive dividends (dividend record date) along with the dividend payment date.

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

As at 31 March 2024, the Group held the following bank guarantees:

- PLN 42 thousand bank guarantee No. KLG57699IN19 of 1 March 2019, provided in connection with a lease contract for a commercial property of 15 February 2019, valid until 6 May 2024, granted within the credit limit of the facility provided by ING Bank Śląski S.A.
- EUR 951 thousand bank guarantee No. DOK2419GWB20AR of 27 July 2020, provided in connection with a lease contract for a property in Bieruń, valid until 15 July 2026, granted within the credit limit of the facility provided by Santander Bank Polska S.A.
- EUR 190 thousand bank guarantee No. DOK2418GWB20TI of 27 July 2020, provided in connection with a lease contract for a property in Pruszków, valid until 31 December 2024, granted within the credit limit of the facility provided by Santander Bank Polska S.A.
- EUR 213 thousand bank guarantee No. DOK4042GWB21KW of 13 October 2021, provided in connection with a lease contract for a property in Poznań, valid until 29 June 2025, granted within the credit limit of the facility provided by Santander Bank Polska S.A.
- EUR 485 thousand bank guarantee No. DOK1141GWB22WS of 25 March 2022 (as amended), provided in connection with a lease contract for a property in Mysłowice, valid until 30 September 2024, granted within the credit limit of the facility provided by Santander Bank Polska S.A.
- PLN 68 thousand bank guarantee No. DOK1330GWB22KW of 12 April 2022, provided in connection with a lease contract for a property in Tychy, valid until 31 March 2025, granted within the credit limit of the facility provided by Santander Bank Polska S.A.
- PLN 2,000 thousand bank guarantee No. KLG87054IN23 of 3 April 2023, provided in connection with a distribution agreement, valid until 31 December 2024, granted within the credit limit of the facility provided by ING Bank Śląski S.A.

27. Events subsequent to the reporting date

There were no significant events after the reporting date that were not included in this report and could have had a material effect on the Group's assets and financial position.

II. Quarterly financial information of the parent for the three months ended 31 March 2024

Interim separate statement of comprehensive income

	Note	3 months ended	
		31 March 2024	31 March 2023
		(unaudited)	(unaudited)
STATEMENT OF PROFIT OR LOSS			
Revenue from contracts with customers		996,448	837,239
Cost of sales		(747,080)	(621,451)
Gross profit		249,368	215,788
Distribution costs and marketing expenses		(113,508)	(95,646)
Warehousing costs		(74,501)	(55,414)
Management and administrative expenses		(10,355)	(8,518)
Other net gains/(losses)		(2,099)	1,120
Other income		180	33
Other expenses		(783)	(188)
Operating profit		48,302	57,175
Finance income		6,431	11,029
Finance costs		(6,196)	(7,635)
Profit before tax		48,537	60,569
Income tax		(8,573)	(9,717)
Profit from continuing operations		39,964	50,852
Net profit		39,964	50,852
OTHER COMPREHENSIVE INCOME			
Net other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		39,964	50,852
Earnings per share (PLN per share)			
basic earnings per share from continuing operations (PLN)		0.31	0.39
basic earnings per share (PLN)		0.31	0.39
diluted earnings per share from continuing operations (PLN)		0.31	0.39
diluted earnings per share (PLN)		0.31	0.39

Interim separate statement of financial position

	Note	As at 31 March 2024	As at 31 December 2023	As at 31 March 2023
		(unaudited)		(unaudited)
ASSETS				
Non-current assets				
Intangible assets		34,718	34,944	29,036
Property, plant and equipment		341,704	329,607	252,581
Investments in related entities		45,443	45,443	30,448
Investments in other entities		110	110	110
Other long-term receivables		4,442	4,368	4,082
Total non-current assets		426,417	414,472	316,257
Current assets				
Inventories		970,718	938,505	946,489
Contract asset		20,522	19,366	16,544
Trade and other receivables		341,189	360,543	318,260
Other financial assets		3,264	-	3,551
Current tax assets		-	1,257	-
Cash and cash equivalents		31,087	32,386	42,176
Total current assets		1,366,780	1,352,057	1,327,020
Total assets		1,793,197	1,766,529	1,643,277
EQUITY AND LIABILITIES				
Equity				
Share capital issued		13,062	13,062	13,062
Share premium		106,299	106,299	106,299
Other components of equity		2,103	2,103	2,103
Retained earnings		987,236	947,272	796,692
Total equity		1,108,700	1,068,736	918,156
Non-current liabilities				
Long-term borrowings		59,379	104,145	97,000
Lease liabilities		150,054	151,414	109,428
Employee benefit obligations and provisions		1,736	1,527	2,835
Deferred tax liability		11,776	36,781	10,147
Total non-current liabilities		222,945	293,867	219,410
Current liabilities				
Trade and other payables		253,578	139,796	270,331
Contract liabilities		29,023	26,896	23,105
Short-term borrowings		76,305	159,681	102,613
Lease liabilities		34,663	36,866	40,215
Current tax liability		22,043	-	29,911
Employee benefit obligations and provisions		36,971	32,251	32,096
Short-term provisions		8,969	8,436	7,440
Total current liabilities		461,552	403,926	505,711
Total liabilities		684,497	697,793	725,121
Total equity and liabilities		1,793,197	1,766,529	1,643,277

Interim separate statement of cash flows

indirect method	Note	3 months ended	
		31 March 2024	31 March 2023
		(unaudited)	(unaudited)
Cash flows from operating activities			
Profit before tax		48,537	60,569
Adjustments:		131,506	60,465
Depreciation and amortisation		12,873	9,817
Foreign exchange gains/(losses)		(823)	(166)
Adjustments for gains/(losses) on sale of non-current assets		17	(10)
Other adjustments with cash flows from financing or investing activities		(39)	-
Interest		6,191	7,564
Finance income recognised in profit or loss		(56)	(55)
Gain on interest in subsidiary		(5,313)	(10,835)
Change in inventories		(32,213)	(44,767)
Change in contract asset		(1,156)	(2,960)
Change in trade and other receivables		23,588	(2,525)
Change in trade and other payables		120,848	95,929
Change in contract liabilities		2,127	3,794
Change in employee benefit obligations and provisions		5,462	4,679
Cash from operating activities		180,043	121,034
Income tax paid		(10,278)	(8,346)
Net cash from operating activities		169,765	112,688
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(21,011)	(5,377)
Disposal of property, plant and equipment and intangible assets		36	86
Loans		(3,260)	(3,537)
Repayment of loans		-	1
Net cash from investing activities		(24,235)	(8,827)
Cash flows from financing activities			
Borrowings repaid		(127,653)	(75,288)
Payment of lease liabilities		(12,562)	(10,286)
Interest and fees paid		(6,472)	(7,982)
Other cash used in financing activities – corporate surety		(169)	(168)
Other cash provided by financing activities – corporate surety		56	55
Net cash from financing activities		(146,800)	(93,669)
Change in cash before exchange rate changes		(1,270)	10,192
Effect of exchange rate changes on cash		(29)	(47)
Net change in cash		(1,299)	10,145
Cash and cash equivalents at beginning of period		32,386	32,031
Cash and cash equivalents at end of period		31,087	42,176

Interim separate statement of changes in equity

(unaudited)	Share capital issued	Share premium	Capital from issue of warrants	Retained earnings	Total equity
As at 1 January 2024	13,062	106,299	2,103	947,272	1,068,736
Net profit	-	-	-	39,964	39,964
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	39,964	39,964
Dividends paid	-	-	-	-	-
Total changes in equity	-	-	-	39,964	39,964
As at 31 March 2024	13,062	106,299	2,103	987,236	1,108,700

	Share capital issued	Share premium	Capital from issue of warrants	Retained earnings	Total equity
As at 1 January 2023	13,062	106,299	2,103	745,840	867,304
Net profit	-	-	-	221,025	221,025
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	221,025	221,025
Dividends paid	-	-	-	(19,593)	(19,593)
Total changes in equity	-	-	-	201,432	201,432
As at 31 December 2023	13,062	106,299	2,103	947,272	1,068,736

(unaudited)	Share capital issued	Share premium	Capital from issue of warrants	Retained earnings	Total equity
As at 1 January 2023	13,062	106,299	2,103	745,840	867,304
Net profit	-	-	-	50,852	50,852
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	50,852	50,852
Dividends paid	-	-	-	-	-
Total changes in equity	-	-	-	50,852	50,852
As at 31 March 2023	13,062	106,299	2,103	796,692	918,156

Notes

1. Statement of compliance and basis of accounting

These interim condensed separate financial statements (these “financial statements”) of Auto Partner S.A. for the three months from 1 January to 31 March 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and do not include all the information and disclosures required to be included in full-year separate financial statements. These interim condensed separate financial statements should be read in conjunction with the audited full-year separate financial statements for the year ended 31 December 2023 prepared in accordance with IFRS.

The accounting policies applied in the preparation of these condensed separate financial statements are consistent with the policies applied in the preparation of the full-year separate financial statements for the financial year ended 31 December 2023.

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

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

2. Material judgements and estimates

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

3. 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.

4. Transactions with subsidiaries

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

	Period ended 31 March 2024	Period ended 31 March 2023
Sales of merchandise and services and other income		
Maxgear Sp. z o.o. Sp. komandytowa	2,131	1,672
<i>including:</i>		
<i>sales of merchandise</i>	-	1
<i>sales of services</i>	2,173	1,427
<i>re-charge of costs</i>	(42)	244
AP Auto Partner CZ s.r.o.	10,253	5,824
<i>including:</i>		
<i>sales of merchandise</i>	10,139	5,761
<i>sales of services</i>	71	37
<i>re-charge of costs</i>	43	26
Total	12,384	7,496
	Period ended 31 March 2024	Period ended 31 March 2023
Finance income		
Maxgear Sp. z o.o. Sp. komandytowa	5,369	10,890
<i>including:</i>		
<i>share of profit</i>	5,313	10,835
<i>corporate surety</i>	56	55
Total	5,369	10,890

	Period ended 31 March 2024	Period ended 31 March 2023
Finance costs		
Maxgear Sp. z o.o. Sp. komandytowa	(169)	(168)
<i>including:</i>		
<i>corporate surety</i>	(169)	(168)
Total	(169)	(168)

	Period ended 31 March 2024	Period ended 31 March 2023
Purchase of merchandise and other purchases		
Maxgear Sp. z o.o. Sp. komandytowa	121,548	119,485
<i>including:</i>		
<i>purchase of merchandise</i>	121,548	119,485
Total	121,548	119,485

	As at 31 March 2024	As at 31 December 2023
Receivables		
Maxgear Sp. z o.o. Sp. komandytowa	7,977	13,765
<i>including:</i>		
<i>trade receivables</i>	2,664	-
<i>share of profit receivables</i>	19,078	13,765
AP Auto Partner CZ s.r.o.	3,588	2,238
<i>including:</i>		
<i>trade receivables</i>	3,588	2,238
Total	25,330	16,003

	As at 31 March 2024	As at 31 December 2023
Liabilities		
Maxgear Sp. z o.o. Sp. komandytowa	49,620	16,649
<i>including:</i>		
<i>trade payables</i>	49,620	16,649
Total	49,620	16,649

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 as the parent (the “Company” or the “Parent”). Key information on the Parent is presented below.

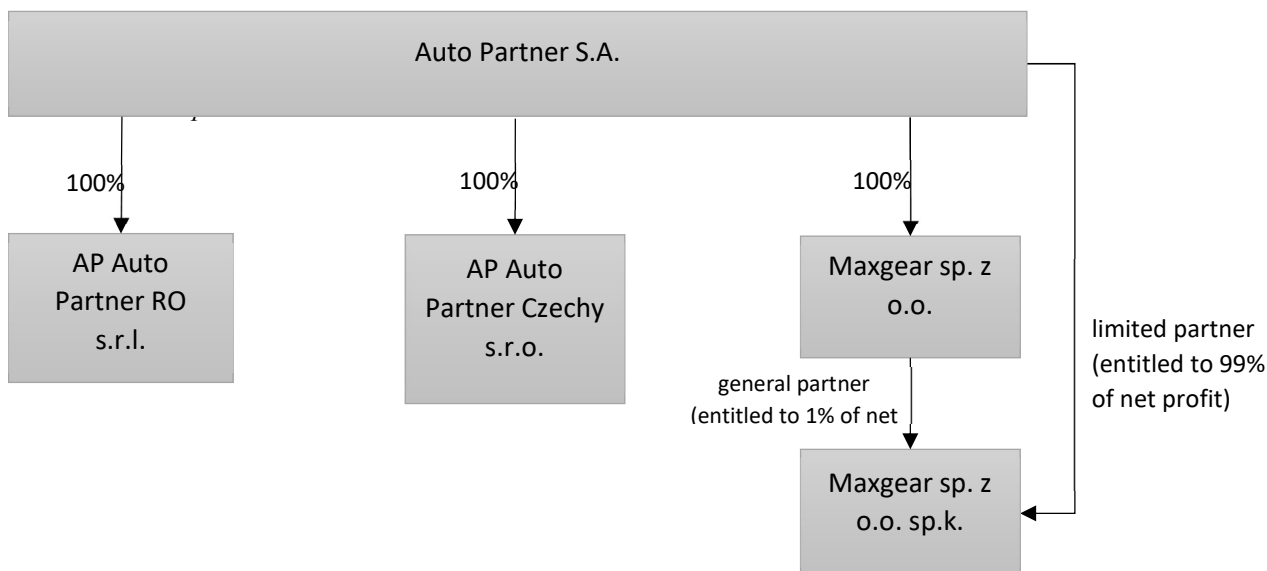
Registered office:	Bieruń
Legal form:	joint stock company
Country of incorporation:	Poland
Address:	ul. Ekonomiczna 20, 43-150 Bieruń
Tel./Fax:	+48 32 325 15 00 / +48 32 325 15 20
Email:	kontakt@autopartner.com
Website:	www.autopartner.com

As at 31 March 2024, the Auto Partner Group comprised the Parent and 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.



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 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 merchandise which is then sold by the Group under the Maxgear brand. Most of the merchandise is 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. Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with IAS and IFRS and the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (the "Regulation"). In its consolidated quarterly report the Company also incorporates quarterly financial information containing the information specified in Section 66.1–4, Section 66.5, first sentence, Section 66.8.13 and Section 66.9 of the Regulation.

3. Key events with a material bearing on operations and financial performance in the three months to 31 March 2024

The following events and factors had a bearing on the Company's business and financial results in the three months to 31 March 2024:

- Continued expansion and sales growth.
- Decline in gross margin compared with previous periods due to the sale of merchandise purchased in the second half of 2023 when PLN was relatively weak. The current EUR/PLN and USD/PLN exchange rates are relatively low (with the low EUR/PLN exchange rate also affecting the value of a significant portion of sales generated by the Group, as translated into PLN as the reporting currency).

- Pay increases for the Company’s employees and service providers resulting from inflation and minimum wage increases.
- Effective inventory and procurement management, which enabled a reduction in liabilities under borrowings and leases as at the reporting date to a level below that reported as at 31 March 2023, despite an expanding scale of business. This also had a positive effect on finance costs.

In the three months ended 31 March 2024, the following events took place at the Auto Partner Group:

- On 24 January 2024, the Company advanced a loan of EUR 750,000.00 to Global One Automotive GmbH of Frankfurt, repayable by 31 July 2024. The loan bears interest at a rate of 4.2%.
- On 23 January 2024, the Supervisory Board approved the Rules of the 2024–2025 Incentive Scheme for Members of the Auto Partner S.A. Management Board (the “Rules”, the “Scheme”), providing for the payment of additional remuneration tied to the Company’s financial performance for members appointed to the Management Board. The Scheme is intended for the following members of the Company’s Management Board: Andrzej Manowski, Piotr Janta and Tomasz Werbiński. The purpose of the Scheme is to establish mechanisms to encourage activities that would ensure long-term growth of the shareholder value, reduce turnover of the Company’s management staff, and reward their contribution to the shareholder value growth. For detailed rules of awarding incentive bonuses, visit the Company’s website at <https://ir.autopartner.com/lad-korporacyjny/#polityka-wynagrodzen..> The total amount of bonuses to be paid in accordance with the Rules will not exceed PLN 5,600,000 over the entire duration of the Scheme. In the first year of the Scheme, the total amount of bonuses for 2024 to be paid in accordance with the Rules will not exceed PLN 2,800,000.
- On 23 January 2024, the General Meeting of Maxgear Sp. z o.o. approved the Rules of the Incentive Scheme for Members of the Management Board of Maxgear sp. z o.o., Grzegorz Pal and Arkadiusz Cieplak for 2024–2025 (the “Rules”, the “Scheme”). Its terms will be the same as those applying to members of the Auto Partner S.A. Management Board. The total amount of bonuses to be paid in accordance with the Rules will not exceed PLN 2,000,000 during the term of the Scheme. In the first year of the Scheme, the total amount of bonuses for 2024 to be paid in accordance with the Rules will not exceed PLN 1,000,000.
- On 28 March 2024, the Company's Management Board recommended to the Annual General Meeting a payment of dividend from the Company’s 2023 profit of PLN 19,593,000, or PLN 0.15 per share. On 10 April 2024, that recommendation was approved by the Supervisory Board. The draft resolution of the Annual General Meeting on the distribution of net profit for 2023, as prepared by the Company, sets 3 June 2024 as the dividend record date and 18 June 2024 as the dividend payment date. The final decision on the dividend payment and the confirmation of these dates will be made by the Annual General Meeting on 24 May 2024.

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

During the reporting period, there were no non-recurring events affecting operating results.

Additionally, the Group did not identify any impact of the war in Ukraine on its operations in the three months to 31 March 2024. 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 2024.

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

From the issue date of the separate and consolidated annual report for 2023 on 11 April 2024 to the issue date of this report on 21 May 2024, no changes occurred in the ownership of major holdings of Company shares.

To the Company's best knowledge, the shareholders holding 5% or more of total voting rights as at the issue date of this report on 21 May 2024 were as follows:

Shareholder	Number of shares held	Number of voting rights at GM	Ownership interest (%)	Share of total voting rights (%)
Turzyńska Fundacja Rodzinna*	56,944,758	56,944,758	43.60%	43.60%
Otwarty Fundusz Emerytalny Złota Jesień (OFE PZU)	8,617,124	8,617,124	over 5%**	over 5%**
Nationale Nederlanden Powszechno Towarzystwo Emerytalne S.A.	13,062,403	13,062,403	10.0003%	10.0003%

* Entity controlled by Aleksander Górecki. Aleksander Górecki is the sole founder of Turzyńska Fundacja Rodzinna, a beneficiary of the Foundation, a member of the Foundation's Beneficiaries' Meeting, and the sole member of the Foundation's Management Board.

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

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

To the Company's best knowledge, there were no changes in the holdings of Company shares by members of the Company's Management or Supervisory Board from the issue date of the separate and consolidated annual report for 2023 on 11 April 2024, to the issue date of this report on 21 May 2024.

The table below presents the holdings of Company shares by members of the Management and Supervisory Boards as at the issue date of this report on 21 May 2024.

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

Full name	Position	Number of Company shares held	Par value of the shares (PLN)
Aleksander Górecki indirectly through Turzyńska Fundacja Rodzinna	President of the Management Board	56,944,758	5,694,475.80
Andrzej Manowski	Vice President of the Management Board	200,000	20,000.00
Piotr Janta	Vice President of the Management Board	177,263	17,726.30
Jarosław Plisz	Chair of the Supervisory Board	20	2.00
Total:		57,322,041	

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 24 to the interim condensed consolidated financial statements and note 4 to the quarterly financial information of the parent for the three months ended 31 March 2024.

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

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

12. Business of the Auto Partner Group

Overview of key products, goods and services

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

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

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

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

Overview of the Group's geographical markets

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

Revenue structure by domestic and export sales:

Period ended 31 March				
	2024		2023	
	PLN '000	share (%)	PLN '000	share (%)
Sales of merchandise – Poland	489,397	49.2%	405,513	48.5%
Sales of merchandise – EU	495,906	49.9%	420,644	50.3%
Sales of merchandise – other exports	8,114	0.8%	10,014	1.2%
Sales of services – Poland	169	0.0%	202	0.0%
Sales of services – EU	1,165	0.1%	272	0.0%
Total	994,751	100%	836,645	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 and is pursuing four main strategic goals for the Group:

1. Expanding the business scale
2. Further diversifying the product range
3. Increasing profitability
4. Entering 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 three months to 31 March 2024

In the three months ended 31 March 2024, the Group recorded an 18.9% year-on-year increase in sales. This increase was driven primarily by higher domestic sales (up 20.7%), with export sales also growing significantly (up 17.2%). Unlike previous periods, the impact of inflation on sales growth was negligible, with higher revenue mainly due to volume growth.

The gross margin fell year on year to 26.2% from 26.4% in the corresponding period of the previous year. A significant reason for the relatively low profitability, similar to the three months ended 31 March 2023, was the sale of merchandise purchased when PLN was relatively weak. The current EUR/PLN and USD/PLN exchange rates are relatively low (with the low EUR/PLN exchange rate also affecting the value of a significant portion of sales generated by the Group, as translated into PLN as the reporting currency).

Costs were clearly affected by high inflation and the rising minimum wage, leading to strong pay pressure and higher service costs. This, along with business expansion, was the main driver of increasing operating expenses.

Additionally, profit and net profit margin were influenced by lower finance costs due to a reduction in nominal debt levels, despite the business growth, and lower interest rates compared with the same period last year.

Consequently, in the three months to 31 March 2024, the Group posted a net profit of PLN 40.3 million, down 6.3% year on year from PLN 43.0 million in the corresponding period of the previous year.

Financial metrics

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

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

Profitability metrics

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

	For period ended 31 March consolidated financial statements		
	2024	2023	2022
	PLN '000	PLN '000	PLN '000
EBITDA (PLN '000) ¹	69,115	71,974	73,988
Gross margin (%) ²	26.2	26.4	29.6
EBITDA margin (%) ³	6.9	8.6	11.6
EBIT margin (%) ⁴	5.6	7.4	10.4
Pre-tax profit margin (%) ⁵	5.1	6.4	9.8
Net profit margin (%) ⁶	4.1	5.1	7.9

Source: the Group.

- (1) The Group defines and calculates EBITDA as operating profit (loss) before depreciation and amortisation.
- (2) Gross margin is defined as the ratio of gross profit (loss) for the reporting period to revenue for the period.
- (3) EBITDA margin is defined as the ratio of EBITDA for the reporting period to revenue for the period.
- (4) EBIT margin is defined as the ratio of operating profit (loss) for the reporting period to revenue for the period.
- (5) Pre-tax profit margin is defined as the ratio of pre-tax profit for the reporting period to revenue for the period.
- (6) Net profit margin is defined as the ratio of net profit for the period to revenue for the period.

	For period ended 31 March consolidated financial statements		For year consolidated financial statements	
	2024	2023	2023	2022
	PLN '000	PLN '000	PLN '000	PLN '000
ROE (%) ⁷	15.2	20.2	23.7	27.7
ROA (%) ⁸	9.1	11.0	13.3	14.9

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			
	31 March 2024	31 March 2023	31 December 2023	31 December 2022
	days	days	days	days
Inventory turnover period (days) ^{1*}	127	141	137	158
Average collection period (days) ²	32	30	32	34
Average payment period (days) ³	27	29	23	24
Cash conversion cycle ⁴	131	143	146	168

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			
	31 March 2024	31 March 2023	31 December 2023	31 December 2022
	PLN '000	PLN '000	PLN '000	PLN '000
Total debt ratio (%) ¹	38.8	44.5	41.7	46.3
Long-term debt ratio (%) ²	12.5	13.4	16.3	17.2
Short-term debt ratio (%) ³	26.3	31.1	25.4	29.2
Equity-to-debt ratio (%) ⁴	157.9	124.7	139.9	115.9

Source: the Group.

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

Liquidity ratios

The table below presents the Group's liquidity ratios.

	As at consolidated financial statements		
	31 March 2024	31 December 2023	31 December 2022
	PLN '000	PLN '000	PLN '000
Current ratio ¹	2.98	3.12	2.81
Quick ratio ²	0.79	0.87	0.69
Cash ratio ³	0.08	0.08	0.08

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 31 March 2024	As at 31 December 2023
Number of employees	2836	2796

Source: the Group.

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

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

- A new logistics and storage centre was established in Zgorzelec, comprising 28,534 m² of storage, maintenance and utility space and 1,117 m² of office and staff amenity space, under lease contract signed with MLP Poznań East sp. z o.o. of Pruszków on 22 December 2022. The completion of the logistics and warehouse centre is anticipated in late 2025 or early 2026. In the three months ended 31 March 2024 and subsequently, efforts have been underway to bring the centre into operation.
- On 23 January 2024, the Company's Supervisory Board approved the Rules of the 2024–2025 Incentive Scheme for members of the Management Board of Auto Partner S.A., as detailed in item 3 of this key supplementary information section.
- On 23 January 2024, the General Meeting of Maxgear sp. z o.o. of the Rules of the 2024–2025 Incentive Scheme for members of the Management Board of Maxgear sp. z o.o., as detailed in item 3 of this key supplementary information section.
- 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

All 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 has been provided in Sections 3, 4, 12 and 13 of this report.

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

The Group did not identify any impact of the war in Ukraine on its operations in the three months to 31 March 2024. The Company's exposure to the Ukrainian market is negligible, accounting for less than 0.5% of its monthly revenue. To manifest solidarity with Ukraine, on 24 February 2022 the Company suspended its business on the Russian and Belarusian markets, closed all representative offices and discontinued the export of aftermarket parts to both Russia and Belarus. Before 24 February 2022, the Company's exports to the Russian and Belarusian markets accounted for 0.1% and 0.02%, respectively, of its monthly revenue.

As at the date of these financial statements, the situation in Ukraine did not have a material impact, whether direct or indirect, on the Company's operations, business continuity and financial condition. There were no indications of asset impairment linked to the conflict in Ukraine, as the Company does not possess any non-financial assets in Ukraine that could be affected by military operations there. Assuming that the armed conflict in Ukraine does not extend to neighbouring countries, particularly Poland and other EU nations, it is not expected to significantly affect the Company's sales volumes, cash flows, and profitability in the long term.

However, it is important to note that this expectation, based on the best knowledge of the Management Board, may differ from the actual impact given uncertainty arising from the unpredictable nature and effects of the Russian Federation's military actions in Ukraine on the economic landscape of Poland and Europe, and consequently, their influence on the Company's sales volumes, cash flows, and profitability. 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 21 May 2024.

Signatures of Management Board Members

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

Piotr Janta – Vice President of the Management Board

Tomasz Werbiński Member of the Management Board

Signature of the person responsible for accounting records

Kamila Obłodecka-Pieńkosz – Chief Accountant