ADDITIONAL INFORMATION

Compliant with § 66 sec. 4 and 5 of the Regulation of the Minister of Finance of 29 March 2018 (J.L. of 2018, it. 757) or respectively with art. 56 sec. 1 point 2 letter of art. 61 of the Public Offer of Financial Instruments Act.

RULES ADOPTED IN THE PREPARATION OF THE REPORT

The financial statement covers 9 months from1 January 2018 to 30 September 2018. The comparable financial data as at 31 December 2017 as at 30 June 2018 and as at 30 September 2017 were presented for the balance sheet data. For comparable data presented in the profit and loss account and in the cash flow statement, comparable financial data for the period from 1 January 2017 to 30 September 2017, for the period from 1 July 2018 to 30 September 2018 and for the period from 1 July 2017 to 30 September 2017, and in the statement of changes in equity, comparable financial data for the period from 1 January 2017 to 31 December 2017 were presented for the period from 1 July 2018 to 30 September 2018, moreover, from 1 July 2017 to 30 September 2017.

As at the date of preparation of the financial statement, no circumstances and events are known that would indicate serious threats to the company's continuing operations in the near future.

In connection with the above, the report was prepared assuming that the activity will be continued in a period not shorter than one year from the balance sheet date.

The numerical data are shown rounded up to a thousand PLN.

Accounting methods and principles (policy).

For the financial year, by art. 3.1.9 of the Accounting Act is considered a calendar year or another period of 12 consecutive full calendar months. In the case of a change in the fiscal year, the first fiscal year should be longer than 12 consecutive months. Due to the change in the financial year in the Company, the current fiscal year runs from 1 January 2018 to 31 March 2019.

The financial statement has been prepared by:

- The Accounting Act of 29 September 1994 (J. L. 2018 it. 395 as amended),
- § 68 section 1 of the Regulation of the Minister of Finance of 29 March 2018 (J. L. of 2018, it. 757) regarding current and periodic information provided by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state.

BALANCE

The assets and liabilities shown in the balance sheet have been measured using the following methods resulting from the adopted accounting principles (policy).

Intangible assets

Intangible assets are valued at acquisition or production cost for development costs, reduced by accumulated amortisation write-off proportional to the period of their use and a possible write-off for permanent impairment.

Intangible assets are amortised using the straight-line method in the period of expected economic utility by the following principles:

- computer software 5- 15 years
- copyright 5 years

Amortisation charges on intangible assets are made starting from the first month following the month in which the values were entered into the register, until the end of the month in which the amount of depreciation write-downs is equated with their initial value or in which they were put into liquidation, or their deficiency was found. The amounts of annual depreciation write-off are determined by systematically distributing the initial value of a given intangible asset for the expected years of its use, taking into account the period of economic usefulness. Intangible assets with an initial value not higher than PLN 10,000.00 can be included directly in costs in the month of putting into service.

Fixed assets and fixed assets under construction

Fixed assets are valued at purchase price or production cost (after revaluation of assets components) less accumulated depreciation and write-off updating their value.

In justified cases, the purchase prices or production costs of fixed assets under construction include exchange rate differences from the valuation of receivables and liabilities created as at the balance sheet date and interest on liabilities financing the generation or acquisition of fixed assets.

Under the Accounting Act, the initial value and depreciation write-off previously made on fixed assets may be subject to a revaluation by separate provisions.

The net book value of a fixed asset determined as a result of the revaluation should not be higher than the real value, the write-off of which in the expected period of its further use is economically justified.

Fixed assets are depreciated using the straight-line method. Fixed assets are subject to depreciation write-off according to the list of annual depreciation rates, defining the rates and amounts of a write-off for individual fixed assets.

The depreciation rates used are as follows:

- improvements in foreign fixed assets	15 years
- technical equipment and machines	3-15 years
- means of transport	2.5 -7 years
- other fixed assets	15 years
- buildings and constructions	50 years

Depreciation charges on fixed assets are made starting from the first month following the month in which the measure was entered into the register, by the end of this month, when the amount of depreciation write-downs is recognised with its initial value or in which it was put into liquidation, sold or found its deficiency.

The amounts of annual depreciation write-off are determined by systematically distributing the initial value of a given fixed asset for the expected years of its use, taking into account the useful economic life of the asset.

Items of long-term use, the value of which does not exceed PLN 10,000.00, may be written off at once for costs in full, at the moment of transferring them to use.

Fixed assets under construction are measured at the amount of total costs directly related to their acquisition or production, less write-off for permanent loss of their value.

Long-term prepayments

Long-term prepayments include deferred income tax assets and other accruals.

Assets due to deferred income tax occur when the tax value of assets exceeds their carrying value, and the value of liabilities is lower than their carrying amount and therefore there are temporary negative differences, which will cause in the future a reduction in the basis for calculating income tax.

Deferred income tax assets are determined not only in connection with temporary negative differences, which in future will lead to a decrease in the income tax base, but also due to tax loss which can be deducted, taking into account the principle of prudence. When calculating the deferred tax asset, it is assessed what are the real possibilities of obtaining income and income (to deduct a loss), in such amount that it will deduct negative temporary differences and losses from them in their entirety.

Other prepayments include costs incurred in the current reporting period, attributable to future reporting periods, if their capitalisation lasts longer than 12 months from the balance sheet date, i.e. only those that qualify for long-term prepayments.

Stock

Goods accepted for the stock at purchase prices. However, the valuation of stock and deliveries of goods is carried out at average prices.

Write-off of current tangible assets made in connection with the permanent loss of value or caused by the valuation that results in their value to net realisable sales prices decrease the value of items in the balance sheet and are included in other operating costs respectively.

Expenditure of inventory components is valued at average prices, i.e. fixed at the weighted average price of a given inventory component.

Receivables

Domestic receivables are valued at the amounts due, subject to the prudence principle (after deducting revaluation write-down).

Receivables in foreign currencies at the balance sheet date are valued at the average exchange rate for a given currency announced by the National Bank of Poland.
The value of receivables is updated taking into account the probability of their payment by making a revaluation write-down. A write-down is created for:

a) receivables from debtors put into liquidation or bankruptcy - up to the number of receivables not covered by the guarantee or other security of receivables, reported to the liquidator or judge commissioner in bankruptcy proceedings,
b) receivables from debtors in the event of dismissal of a bankruptcy petition, if the debtor's assets are not sufficient to cover the costs of the bankruptcy proceedings - in the full amount of the receivables,
c) debts questioned by debtors and from which the debtor is in arrears, and according to the assessment of the debtor's financial and economic situation, the payment of the contractual amount is unlikely - up to the amount not covered by the guarantee or other security of the debt,

d) receivables constituting the equivalent of amounts increasing receivables for which an impairment loss was previously made - in the amount of these amounts, until they are received or written off,

e) overdue or not overdue receivables with a significant degree of probability of non-recoverability.

Write-down receivables are included respectively in other operating costs or financial costs - depending on the type of receivables to which a revaluation write-down applies.

Cash

Domestic cash is measured at nominal value.

Cash in foreign currency as at the date of the semi-annual and annual financial statements is measured at the average exchange rates for the given currency announced by the NBP valid for those days.

Short-term prepayments

Short-term prepayments include costs whose activation ends within 12 months from the balance sheet date, in particular:

- costs of repairs settled over time
- rent paid by the unit in advance for future reporting periods, property and personal insurance, subscription, etc.
- the difference between a lower amount of funds received from a loan or credit and which is higher than the amount of the obligation to repay.

The balance sheet shows real operating costs and financial costs whose activation ends within 12 months from the balance sheet date.

Equity

Equity is recognised in the accounting books at their nominal value according to their types and principles defined by law, the company's statute or articles of association.

The share capital of the company is disclosed in the amount specified in the statute and entered in the court register. Declared but unpaid capital contributions are recognised as due contributions to capital.

The supplementary capital is created:

- from profit distribution,
- from the surplus achieved by issuing shares above their nominal value.

Provisions for liabilities

Provisions are created for certain or highly probable future liabilities and as at the balance sheet date they are valued according to the principles set out in art. 28 para. 1 point 9 of the Accounting Act, i.e. in a justified, reliably estimated value.

Provisions are classified as other operating costs, if they are directly related to operating activities, financial costs, if they relate to financial operations, extraordinary losses, if they are related to risk exceeding the risk of operating activities.

The provision for deferred income tax is created in the amount of income tax, requiring future payment, in connection with the occurrence of positive temporary differences, i.e. differences that will increase the basis for calculating income tax in the future. The amount of this provision is determined taking into account income tax rates in force in the year when the tax obligation arises.

Provision for retirement and similar benefits are created by the Company due to justified passive accruals for benefits whose obligation results from employment contracts. These are liabilities falling for the current reporting period, for benefits guaranteed by law.

Under other provisions, the Company recognises these provisions for certain or highly probable liabilities that do not constitute provisions for deferred income tax and provisions for retirement benefits and similar. These are provisions created for certain or highly probable future liabilities relating to financial operations, non-financial operations, events not related to the general risk of management.

Liabilities

Liabilities are obligations resulting from past events to provide services with a reliably determined value, which will result in the use of already existing or future assets of the Company. As at the date of creation, domestic liabilities are valued at the amount due (according to the nominal value).

If the maturity date exceeds one year from the balance sheet date, balances of these liabilities, except trade liabilities, are shown as long-term. Other balances are reported as short-term.

Liabilities denominated in a foreign currency are translated as at the balance sheet date into the Polish currency - under art. 30.1.1 of the Accounting Act - at the average exchange rate of a given foreign currency announced on that day by the National Bank of Poland.

Foreign exchange differences related to liabilities expressed in foreign currencies arising on the valuation date and when settled are classified as negative to finance costs and positive to financial revenues, respectively.

In justified cases, they refer to the cost of manufacturing products, services or the purchase price of goods, as well as the production of fixed assets or intangible assets.

All loans (including loans in current accounts) and other financial liabilities that become due later than within 12 months from the date of preparing the financial statements are included in long-term liabilities.

Loans are measured according to the effective interest rate, but if the valuation according to the effective interest rate does not differ much from the valuation according to the nominal value, the nominal value is assumed for the valuation.

Special funds

The Company Social Benefits Fund is created by the Company Social Benefits Fund Act of 04.03.1994, based on planned employment and adjusted to the level of average annual employment.

The fund is used for employees to finance and co-finance services provided to various forms of leisure, cultural and educational activities, sports and recreation, providing material, material or financial assistance, providing repayable assistance for housing purposes. The disposal of the Fund is based on the Internal Regulations of ZFŚŚ.

Prepayments

Other prepayments include accruals.

In this item, the company shows the settlement of the subsidy received for financing the construction of fixed assets, constituting financial assistance from European Union funds.

The aforementioned prepayments are shown in the balance sheet liabilities, broken down into: long-term, if all or part of revenues is to be settled in a period longer than 12 months from the balance sheet date, i.e. is subject to be included in deferred revenue after one year from the balance sheet date and in subsequent years; short-term, if all or part of the revenue is to be settled within 12 months of the balance sheet date

PROFIT AND LOSS ACCOUNT

The profit and loss account was prepared in the comparative version. The Company's financial result for the reporting period includes all income earned and attributable to it, as well as costs related to these revenues, by the accrual basis, commensurability of revenues and costs, and prudent valuation.

Revenues

Revenues from sales include undoubted amounts due or received from net sales, i.e. net of the VAT, recognised in the periods to which they relate.

Costs

The company keeps a cost record in a generic manner, which at the same time allows determining the costs according to the places where they arise. Records on generic costs account capture costs related to a given reporting period. Expenses relating to more than one reporting period are recognised directly in prepayments.

Financial result

The Company's financial result is also influenced by:

- other operating income and expenses indirectly related to the Company's operations in the field of, gains and losses on disposal of non-financial fixed assets, revaluation of non-financial assets, creation and release of provisions for future risk, penalties, fines and damages, receipt or transfer of donations,
- financial income due to interest, a surplus of positive foreign exchange differences over negative,
- financial costs due to interest, revaluation of investments, a surplus of negative exchange differences over positive ones,
- obligatory encumbrances of income tax due to income tax and payments equated with it.

CASH FLOW STATEMENT

The company prepares a cash flow statement using the indirect method.

ADDITIONAL INFORMATION

1. **The amount and type of items affecting assets, liabilities, equity, net result or cash flows that are atypical due to their nature, value or frequency:**

In the third quarter of 2018:

a. The amount of PLN 14 million was received on the bank account of INTERSPORT Polska SA due to the issue of series G shares, which was shown in the balance sheet liabilities under the item "other reserve capitals". Until the date of submission of this report, the subscription for series G shares has not been completed;

b. The amount of PLN 915.139.90 was awarded by a judgement of the Arbitration Court of the Polish Chamber of Commerce in Warsaw in the case against Samuri Investments Społka z o. o. with its registered office in Warsaw was recognised in the profit and loss account under the item "other operating income".

2. Explanations regarding the seasonality or cyclical behaviour of the issuer's activities in the presented period.

Retail trade in sports goods is characterised by considerable seasonality of sales, which is reflected in a significant differentiation of inflows and inventories in the winter season (first and fourth quarter) and summer season (second and third quarter). Seeking to offset the seasonality factor affecting the Company's operations, a significant change was made in the policy of commodity groups. The percentage share of winter goods in total sales was reduced in favour of all-season goods. Separate, year-round zones for the presentation of the offer, including football, running, fitness, outdoor and swimming, were separated in stores. By increasing the sales of year-round product groups, the Company strives to become independent of the winter variable and to offset the level of sales revenues in individual quarters.

3. Information on write-downs updating the value of inventories to net realisable value and reversal of write-downs on this account.

Write-downs on the trade commodities stock are PLN 604,000. In the period from July 1 to September 30, 2018, no new or reversed existing write-downs were made.

4. Information on impairment losses on financial assets, tangible fixed assets, intangible assets or other assets, and reversals of such write-off.

There was no write-off revaluation due to impairment of financial assets, tangible fixed assets, intangible assets or other assets, and reversals of such write-off.

5. Information on the creation, increase, use and dissolution of provisions.

In the third quarter of 2018, the company reversed provisions in the amount of PLN 42,000 including: due to deferred income tax - PLN 29,000 and interest - PLN 13,000 and created reserves in the amount of PLN 186,000 in respect of deferred income tax.

6. Information on deferred income tax reserves and assets.

In the liabilities of the balance sheet prepared as at 30 September 2018, the Company recognised deferred income tax provisions in the amount of PLN 1,098 thousand, and in the balance sheet assets showed deferred income tax assets in the amount of PLN 6,177 thousand.

7. Information on significant purchase and sale transactions of property, plant and equipment.

The company did not make any material transactions in tangible fixed assets.

8. Information on significant liability for the purchase of tangible fixed assets.

The company has no material obligations to purchase tangible fixed assets.

9. Information on significant settlements from court cases.

Arbitration Court judgement of the Polish Chamber of Commerce in Warsaw in the case brought by the Company against Samuri Investments Spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw ("Samuri Investments"), KRS0000275062, from which the Company leased a commercial space located in Warsaw at ul. Sójki 37, the amount of PLN 915,139,90 (nine hundred and fifteen thousand one hundred and thirty-nine 90/100) was awarded to the Company along with statutory interest due to the Company being prevented from conducting business operations in the period from September 25, 2017 to 30 April 2018. Samuri Investments was also obliged to reimburse the costs of arbitration proceedings for the benefit of the Company in the amount of PLN 59,108 (say: fifty-nine thousand one hundred and eight 00/100) (details: current report no. 28 of September 14, 2018)

10. An indication of corrections of errors from previous periods.

There were no corrections of errors from previous periods.

11. Information on changes in the economic situation and business conditions that have a significant impact on the fair value of financial assets and financial liabilities of the entity, regardless of whether these assets and liabilities are included in their fair value or the adjusted purchase price (amortised cost).

There were no changes in the economic situation and business conditions that have a significant impact on the fair value of financial assets and financial liabilities.

12. Information on non-repayment of credit or loan or breach of significant provisions of credit or loan agreement for which no remedial actions have been taken by the end of the reporting period.

Not applicable.

13. Information on the conclusion by the issuer or its subsidiary of one or more transactions with related entities.

INTERSPORT Polska SA (The Company) does not have any related entities within the meaning of the definition of a related party under the Accounting Act of 29 September 1994 (as amended).

INTERSPORT Polska SA did not conclude any agreements with related entities on terms other than market terms as defined by a related entity resulting from international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on application of international accounting standards (O. J. WE L 243 of 11.09.2002, page 1, as amended 6) - O. J. EU Polish special edition, chapter 13, vol. 29, p. 609, as amended).

14. In the case of financial instruments measured at fair value - information on the change in the method (method) of its determination.

The method of determining the valuation of financial instruments has not changed.

15. Information regarding a change in the classification of financial assets as a result of a change in the purpose or use of these assets.

There were no changes in the classification of financial assets.

16. Information on the issue, buyout and repayment of non-share and equity securities.

On 30 August 2018, the Extraordinary General Meeting of the Company adopted a resolution to increase the Company's share capital by issuing no more than 7,500,000 new series G shares, depriving existing shareholders of all pre-emptive rights to all series G shares and offering them through private subscription , dematerialization and conclusion with the National Deposit of Securities SA for the registration of series G shares and rights to series G shares in the depository of securities and for the admission of rights to series G shares and series G shares for trading on the regulated market operated by the Warsaw Stock Exchange in Warsaw SA and authorised the Management Board of the Company to take all actions related to the increase of the share capital referred to in this resolution, to take all necessary actions to offer Series G Shares in the form of a private subscription within the meaning of art. 431 § 2.1 of the Commercial Companies Code and to determine the detailed conditions for the subscription of Series G Shares (details: current report No. 26 of 30/08/2018). Until the day of submitting this report, the subscription for series G shares has not been completed.

17. Information on the paid (or declared) dividend, in total and per one share, broken down into ordinary and preference shares.

In the third quarter of 2018, the company did not declare and did not make a dividend payment.

18. An indication of events that occurred after the date on which the financial statements were prepared (i.e. after 30 September 2018), not included in this report, which may have a significant impact on the future financial results of the issuer.

Did not occur.

19. Information on changes in contingent liabilities or contingent assets that have occurred since the end of the last financial year.

As at 30 September 2018, the Company had contingent liabilities due to guarantees issued in the amount of PLN 8,561 thousand. Compared to 31 December 2017, they increased by PLN 47 thousand.

20. Other information that may significantly affect the assessment of the financial position and financial performance of the issuer.

Did not occur.

Date	Approved by	Signature
26-10-2018	Artur Mikołajko - President of the Board	
26-10-2018	Sławomir Gil - Vice President of the Board	