



CONSOLIDATED  
QUARTERLY STATEMENT  
FOR Q3 2022  
ACTION S.A.

29 November 2022

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## **I. Statement of the Management Board concerning the accuracy of the Quarterly Condensed Consolidated Financial Statement**

This Interim Condensed Consolidated Financial Statement and the comparative data have been prepared to present the financial position, business results and cash flows as required by International Financial Reporting Standards ('IFRS') approved by the EU, published and in force as at the reporting date, and with respect to matters not regulated by IFRS, in compliance with the Polish Accounting Act of 29 September 1994.

These Interim Condensed Consolidated Financial Statements of the ACTION S.A. Group for the period ended on 30 September 2022 include: consolidated statement of comprehensive income, consolidated statement of financial position, statement of changes in consolidated equity, consolidated cash flow statement and notes containing a description of key accounting principles and selected explanatory notes.

Pursuant to the requirements of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent (Journal of Laws of 2018, item 757 as amended), the Management Board of ACTION S.A. (Company, Issuer) hereby represents that:

– to the best of its knowledge, the interim condensed consolidated financial statement and the comparative data were drawn up in compliance with the applicable accounting principles and present a true, accurate and fair view of the Group's economic and financial position and its financial result, and the interim condensed Management Report of the Group contains a true representation of the Group's growth, achievements and standing, including the description of basic risks and threats.

During the period covered by the Consolidated Financial Statements, the companies from the Group, excluding ACTION S.A. kept their account books in line with the accounting policy (principles) determined by the Accounting Act dated 29 September 1994 and regulations issued on its basis. The Consolidated Financial Statement comprises adjustments not included in the books of the Group's entities, entered in order to bring the financial statements of these entities into line with the IFRS. Since 1 January 2010, ACTION S.A. has been maintaining its accounting books in accordance with the International Financial Reporting Standards ("IFRS"), as approved by the EU, issued and in force as of the balance sheet date, and for matters not regulated by the IFRS, in accordance with the requirements of the Polish Accounting Act of 29 September 1994.

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Piotr Bieliński	Sławomir Harazin
President of the Management Board	Vice-President of the Management Board

Zamienie, 29 November 2022.

## II. Interim Condensed Consolidated Financial Statements drawn up in accordance with the International Financial Reporting Standards for the period from 1 January 2022 to 30 September 2022

### Selected consolidated financial data

SELECTED CONSOLIDATED FINANCIAL DATA	in thousand PLN		in thousand EUR	
	3 quarters	3 quarters	3 quarters	3 quarters
	period from 01/01/2022 to 30/09/2022	period from 01/01/2021 to 30/09/2021	period from 01/01/2022 to 30/09/2022	period from 01/01/2021 to 30/09/2021
I. Net revenue from sale of products, goods and materials	1,692,364	1,600,718	360,999	351,150
II. Gross profit / loss on sales	147,086	137,734	31,375	30,215
III. Profit / loss on operating activities	33,299	83,414	7,103	18,299
IV. Net profit/loss attributable to the Company's shareholders	29,972	72,660	6,393	15,939
V. Net cash flows from operating activities	581	-64,035	124	-14,047
VI. Net cash flows from investment activities	-2,074	63	-442	14
VIII. Net cash flows from financing activities	-512	-253	-109	-56
VIII. Net increases (decreases) in cash	-2,005	-64,225	-428	-14,089
IX. Profit /loss per ordinary share*) (in PLN/EUR)	1.50	3.63	0.32	0.94
	<b>As at 30/09/2022</b>	<b>As at 31/12/2021</b>	<b>As at 30/09/2022</b>	<b>As at 31/12/2021</b>
X. Total assets	652,037	635,710	133,894	138,216
XI. Liabilities	220,290	234,660	45,236	51,020
XII. Long-term liabilities	85,248	89,319	17,505	19,420
XIII. Short-term liabilities	135,042	145,341	27,731	31,600
XIV. Equity attributable to the Company's shareholders	432,843	402,147	88,883	87,435
XV. Share capital	2,004	2004	412	436
XVI. Weighted average number of shares** (in units)	20,037,000	20,037,000	20,037,000	20,037,000
XVII. Book value per share ***) (in PLN/EUR)	21.60	20.07	4.44	4.36

### PLN to EUR exchange rates

Period	Average exchange rate in the period	Minimum exchange rate in the period****)	Maximum exchange rate in the period****)	Exchange rate as of the last day of the period
01/01/2022 – 30/09/2022	4.6880	4.5756	4.8698	4.8698
01/01/2021 – 31/12/2021	4.5775	4.4805	4.6834	4.5994
01/01/2021 – 30/09/2021	4.5585	4.4805	4.6603	4.6329

\* Earnings per ordinary share were calculated as the quotient of net profit and the number of shares.

\*\*\*) The number of shares takes into account the change in the nominal value of series A shares from PLN 1 to PLN 0.10 at the same time dividing 1 share of PLN 1 into 10 shares with the nominal value of PLN 0.10. The change was made on 11 April 2006 by virtue of a resolution of the Extraordinary General Meeting of Shareholders.

\*\*\*\*) The book value per share was calculated as the quotient of Equity attributable to the Company's shareholders and the number of shares.

\*\*\*\*\*) The minimum and maximum exchange rates in the period were calculated using the exchange rates announced by the National Bank of Poland (NBP), in force on the last day of each month.

The selected financial data presented in the consolidated financial statements were converted into EUR in the following manner:

- items concerning the consolidated statement of comprehensive income and the cash flow statement were translated at the exchange rate being the arithmetic mean of the average minimum and maximum exchange rates published by the National Bank of Poland, in force on the last day of each month, the exchange rate for Q3 2022 stood at EUR 1 = PLN 4.6880, for Q3 2021 – EUR 1 = PLN 4.5585;
- items of the consolidated statement of financial position were converted at the average exchange rate published by the National Bank of Poland as at the balance-sheet date; as at 30 September 2022, this exchange rate stood at: EUR 1 = PLN 4.8698, as at 31 December 2021: EUR 1 = PLN 4.5994 and as at 30 September 2021: EUR 1 = PLN 4.6329.

## Consolidated statement of comprehensive income

All revenue and costs relate to continued activities.

	Note	3 quarters, cumulative period from 01/01/2022 to 30/09/2022	Q3 period from 01/07/2022 to 30/09/2022	3 quarters, cumulative period from 01/01/2021 to 30/09/2021	Q3 period from 01/07/2021 to 30/09/2021
Revenue from sales	(5.2)	1,692,364	577,101	1,600,718	541,534
Costs of products, goods and materials sold	(5.3)	-1,545,278	-527,390	-1,462,984	-494,462
<b>Gross profit / loss on sales</b>		<b>147,086</b>	<b>49,711</b>	<b>137,734</b>	<b>47,072</b>
Selling and marketing costs	(5.3,5.4)	-86,299	-29,260	-65,846	-23,945
General management costs	(5.3,5.4)	-27,983	-10,350	-27,493	-9,266
Other operational revenue	(5.5)	2,438	723	40,274	144
Other costs and losses	(5.6)	-1,943	-327	-1,255	-279
<b>Profit / loss on operating activities</b>		<b>33,299</b>	<b>10,497</b>	<b>83,414</b>	<b>13,726</b>
Financial revenue	(5.7)	4,924	4,261	40	4
Financial costs	(5.8)	-2,160	-561	-2,418	-576
Share in profits (losses) of associates and joint ventures settled with the equity method		310	90	82	-97
<b>Profit / loss before tax</b>		<b>36,373</b>	<b>14,287</b>	<b>81,118</b>	<b>13,057</b>
Income tax	(5.9)	-6,400	-2,082	-8,426	-2,691
Profit / loss on continuing operations		<b>29,973</b>	<b>12,205</b>	<b>72,692</b>	<b>10,366</b>
<b>Net profit / loss on discontinued operations</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net profit / loss for the financial period</b>		<b>29,973</b>	<b>12,205</b>	<b>72,692</b>	<b>10,366</b>
<b>Other components of comprehensive income</b>					
Net change due to cash flow hedges		0	0	0	0
Other components – foreign exchange differences from conversion of a foreign operation		989	0	-229	-309
Other components – liquidation of the subsidiary		0	0	0	0
Total other comprehensive income before tax		989	0	-229	-309
Income tax connected with components of other comprehensive income which will be reclassified to profit or loss		0	0	0	0
<b>Other components of net comprehensive income that may be reclassified to profit or loss</b>		<b>989</b>	<b>0</b>	<b>-229</b>	<b>-309</b>
<b>Total income for the period</b>		<b>30,962</b>	<b>12,205</b>	<b>72,463</b>	<b>10,057</b>
<b>Net profit / loss attributable to:</b>					
<b>Company's shareholders</b>		<b>29,972</b>	<b>12,213</b>	<b>72,660</b>	<b>10,355</b>
non-controlling interests		1	-8	32	11
<b>Comprehensive income attributable to:</b>					
<b>Company's shareholders</b>		<b>30,961</b>	<b>12,213</b>	<b>72,431</b>	<b>10,046</b>
non-controlling interests		1	-8	32	11

Consolidated Quarterly Report of the ACTION S.A. CAPITAL GROUP for Q3 2022  
(all amounts are provided in thousands of PLN, unless specified otherwise)

**Profit / loss per share**

Basic profit / loss on continuing operations	<b>1.50</b>	<b>0.61</b>	<b>3.63</b>	<b>0.52</b>
Basic profit / loss on discontinued operations	0.00	0.00	0.00	0.00

**Diluted profit / loss per share**

Diluted profit / loss on continuing operations	<b>1.50</b>	<b>0.61</b>	<b>3.63</b>	<b>0.52</b>
Diluted profit / loss on discontinued operations	0.00	0.00	0.00	0.00

**Weighted average number of shares**

**Diluted number of shares**

<b>20,037,000</b>	<b>20,037,000</b>	<b>20,037,000</b>	<b>20,037,000</b>
<b>20,037,000</b>	<b>20,037,000</b>	<b>20,037,000</b>	<b>20,037,000</b>

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Piotr Bieliński  
President of the Management  
Board

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Sławomir Harazin  
Vice-President of the Management Board

Zamienie, 29 November 2022.

## Consolidated statement of financial position

	Note	30/09/2022	31/12/2021	30/09/2021
<b>ASSETS</b>				
<b>Fixed assets</b>				
Tangible fixed assets	(5.10)	138,122	139,092	137,673
Goodwill		0	0	0
Other intangible assets		5,532	5,813	5,485
Investment real properties	(5.11)	3,592	3,585	3,545
Financial assets <i>(in unconsolidated subsidiaries)</i>		0	0	0
Shares in associates measured with the equity method		164	0	0
Deferred income tax assets	(5.9)	0	2,384	1,619
Trade and other receivables		0	0	0
<b>Total fixed assets</b>		<b>147,410</b>	<b>150,874</b>	<b>148,322</b>
<b>Current assets</b>				
Stocks	(5.12)	274,978	250,013	227,862
Trade and other receivables	(5.13)	179,077	181,805	180,645
Current income tax receivables		0	0	0
Financial derivatives		0	441	0
Other financial assets		0	0	0
Cash and cash equivalents		50,572	52,577	40,384
<b>Total current assets</b>		<b>504,627</b>	<b>484,836</b>	<b>448,891</b>
<b>Total assets</b>		<b>652,037</b>	<b>635,710</b>	<b>597,213</b>
<b>EQUITY</b>				
Share capital		2,004	2,004	2,004
Surplus resulting from the sale of shares above their nominal value		77,207	77,207	77,272
Retained profit		353,632	323,925	295,706
Other reserve capitals		0	-989	-1,130
<b>Equity attributable to the Company's shareholders</b>		<b>432,843</b>	<b>402,147</b>	<b>373,852</b>
<b>Non-controlling interests</b>		<b>-1,096</b>	<b>-1,097</b>	<b>-1,111</b>
<b>Total equity</b>		<b>431,747</b>	<b>401,050</b>	<b>372,741</b>
<b>LIABILITIES</b>				
Loans, borrowings and other liabilities on account of financing	(5.14)	0	0	0
Long-term lease liabilities		1,831	1,070	665
Trade and other liabilities		82,383	88,249	91,553
Deferred income tax provisions	(5.9)	1,034	0	0
<b>Long-term liabilities</b>		<b>85,248</b>	<b>89,319</b>	<b>92,218</b>
Trade and other liabilities		130,980	140,090	129,104
Loans, borrowings and other liabilities on account of financing		1,000	1,025	1,023
Short-term lease liabilities	(5.14)	808	478	370
Current income tax liabilities		193	1,871	0
Provisions for employee benefits		2,061	1,877	1,757
Provisions for other liabilities and charges		0	0	0
Financial derivatives		0	0	0
<b>Short-term liabilities</b>		<b>135,042</b>	<b>145,341</b>	<b>132,254</b>
<b>Total liabilities</b>		<b>220,290</b>	<b>234,660</b>	<b>224,472</b>
<b>Total equity and liabilities</b>		<b>652,037</b>	<b>635,710</b>	<b>597,213</b>

Piotr Bieliński  
President of the Management Board

Sławomir Harazin  
Vice-President of the Management Board

Zamienie, 29 November 2022.

## Statement of changes in consolidated equity

	Share capital	Surplus resulting from the sale of shares above their nominal value	Retained profit	Other reserve capitals	Equity attributable to the Parent Company's shareholders	Equity attributable to non-controlling interests	Total equity
<b>As at 1 January 2022</b>	<b>2,004</b>	<b>77,207</b>	<b>323,925</b>	<b>-989</b>	<b>402,147</b>	<b>-1,097</b>	<b>401,050</b>
<b>Changes in equity:</b>	<b>0</b>	<b>0</b>	<b>29,707</b>	<b>989</b>	<b>30,696</b>	<b>1</b>	<b>30,697</b>
Issue of shares	0	0	0	0	0	0	0
Profit (loss)	0	0	29,972	0	29,972	1	29,973
Other comprehensive income	0	0	0	989	989	0	989
Total comprehensive income	0	0	29,972	989	30,961	1	30,962
Other	0	0	-265	0	-265	0	-265
<b>As at 30 September 2022</b>	<b>2,004</b>	<b>77,207</b>	<b>353,632</b>	<b>0</b>	<b>432,843</b>	<b>-1,096</b>	<b>431,747</b>
<b>As at 1 January 2021</b>	<b>2,004</b>	<b>77,272</b>	<b>223,242</b>	<b>-901</b>	<b>301,617</b>	<b>-1,314</b>	<b>300,303</b>
<b>Changes in equity:</b>	<b>0</b>	<b>-65</b>	<b>100,683</b>	<b>-88</b>	<b>100,530</b>	<b>217</b>	<b>100,747</b>
Issue of shares	0	0	0	0	0	0	0
Profit (loss)	0	0	100,863	0	100,863	46	100,909
Other comprehensive income	0	0	0	-88	-88	0	-88
Total comprehensive income	0	0	100,863	-88	100,775	46	100,821
Other	0	-65	-180	0	-245	171	-74
<b>As at 31 December 2021</b>	<b>2,004</b>	<b>77,207</b>	<b>323,925</b>	<b>-989</b>	<b>402,147</b>	<b>-1,097</b>	<b>401,050</b>
<b>As at 1 January 2021</b>	<b>2,004</b>	<b>77,272</b>	<b>223,242</b>	<b>-901</b>	<b>301,617</b>	<b>-1,314</b>	<b>300,303</b>
<b>Changes in equity:</b>	<b>0</b>	<b>0</b>	<b>72,464</b>	<b>-229</b>	<b>72,235</b>	<b>203</b>	<b>72,438</b>
Issue of shares	0	0	-65	0	-65	0	-65
Profit (loss)	0	0	72,660	0	72,660	32	72,692
Other comprehensive income	0	0	0	-229	-229	0	-229
Total comprehensive income	0	0	72,660	-229	72,431	32	72,463
Other	0	0	-131	0	-131	171	40
<b>As at 30 September 2021</b>	<b>2,004</b>	<b>77,272</b>	<b>295,706</b>	<b>-1,130</b>	<b>373,852</b>	<b>-1,111</b>	<b>372,741</b>

Piotr Bieliński  
President of the Management Board

Sławomir Harazin  
Vice-President of the Management Board

Zamienie, 29 November 2022.





## Notes to the condensed interim consolidated financial statement

### 1. General information

Business name:	ACTION Spółka Akcyjna
Legal form:	Joint stock company
Incorporated in:	Poland
Registered office:	Zamienie
Address:	ul. Dawidowska 10, 05-500 Piaseczno
National Court Register (KRS):	KRS 0000214038
Telephone no.:	(+48 22) 332 16 00
Fax no.:	(+48 22) 332 16 10
E-mail:	<a href="mailto:action@action.pl">action@action.pl</a>
Website:	<a href="http://www.action.pl">www.action.pl</a>
Statistical ID No (REGON):	011909816
Tax no. (NIP):	527-11-07-221
LEI code:	259400QBPJRPZ9M4M409

#### 1.1.Object of the Company's business

The scope of business of ACTION S.A. (Issuer / Company) and its subsidiaries is to sell IT equipment, consumer electronics and home appliances through wholesalers, its own retail outlets and third-party shops. The Group conducts its sales on the domestic and foreign markets. Primary field of the Company's business: wholesale trade in computer accessories (PKD 2007 4690Z).

ACTION S.A. is the parent company, with its registered office in Zamienie, ul. Dawidowska 10, Poland. On 2 August 2004, ACTION Spółka Akcyjna was entered into the Register of Entrepreneurs of the National Court Register under KRS number 0000214038 on the basis of the decision of the District Court in Warsaw, XIX Commercial Division of the National Court Register. The Company is currently registered in the 14<sup>th</sup> Commercial Division of the Register Court for the Capital City of Warsaw, Poland. Previously, the legal predecessor of the Issuer, i.e. ACTION spółka z ograniczoną odpowiedzialnością, was entered into the Register of Businesses under the KRS no. 0000066230 on the basis of the decision of the District Court in Warsaw, Commercial Division of the National Court Register of 28 November 2001.

The principal place of business is in Zamienie, ul. Dawidowska 10, Poland.

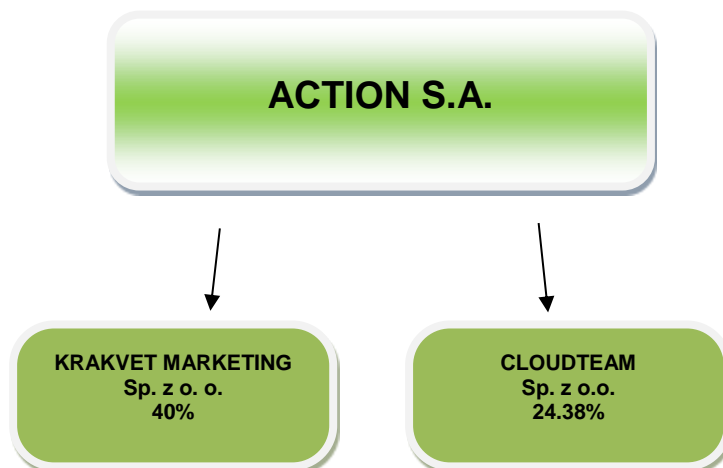
On 1 August 2016, the District Court for the Capital City of Warsaw, 10<sup>th</sup> Commercial Division for Bankruptcy and Restructuring, decided to initiate restructuring proceedings for ACTION Spółka Akcyjna under the provisions of the Polish Restructuring Law Act of 15 May 2015 (Journal of Laws of 2015, item 978).

The change of the registered office of ACTION S.A. was entered into the Register of Entrepreneurs on the basis of the decision of the District Court in Warsaw Commercial Division of the National Court Register of 3 July 2017.

On the basis of the decision of the District Court for the Capital City of Warsaw in Warsaw, 18<sup>th</sup> Division for Bankruptcy and Restructuring (file no. XVIII GRs 1/19) of 7 August 2020 the composition agreement in the Restructuring Proceedings was approved. This decision is valid as of 15 December 2020.

## 1.2. Composition of the Group

### Structure of the ACTION S.A. Capital Group



#### Composition of the Group:

##### parent company:

ACTION S.A. with its registered office in Zamienie

##### subsidiaries and associated entities:

KRAKVET MARKETING Sp. z o. o. (previous name SFERIS MARKETING Sp. z o.o.) with its registered office in Zamienie - subsidiary (40%)<sup>1)</sup>.

CLOUDTEAM Sp. z o. o., with its registered office in Warsaw – associate (24.38%)<sup>2)</sup>

<sup>1)</sup> KRAKVET MARKETING Sp. z o. o. (formerly SFERIS MARKETING Sp. z o.o.) with its registered office in Zamienie was incorporated on 12 December 2011 and covered with consolidation as of that date. The name was changed on 22 July 2022.

<sup>2)</sup> CLOUDTEAM Sp. z o.o. with its registered office in Warsaw – a company measured using the equity method as of 1 October 2012. On 28 February 2020, SYSTEMS Sp. z o.o. was merged with CLOUDTEAM Sp. z o.o. as the acquirer.

KRAKVET MARKETING Sp. z o. o. (formerly SFERIS MARKETING Sp. z o.o.) provides advertising services. Since H2 2022, the company has been carrying out commercial activities consisting in the marketing of animal products. The main business profile of CLOUDTEAM Sp. z o.o. is training and IT services, and the rental of computer hardware.

#### Changes in the Group's composition during the reporting period

On 12 August 2022, the merger of ACTION S.A. (as the acquirer) and ACTIVEBRAND Sp. z o.o (subsidiary) was recorded in the National Court Register.

#### Third-party shares in subsidiaries

1. KRAKVET MARKETING Sp. z o. o. (formerly SFERIS MARKETING Sp. z o.o.) – 60% of shares vested with 75% of votes at the meeting of the company's shareholders is owned by Piotr Bieliński

Entities consolidated as of 30 September 2022.

Business name with the indication of the legal form of the entity	Registered office	Business activity	Nature of relationship (subsidiary, jointly controlled subsidiary, associate, including details of direct and indirect relationships)	Competent court or other authority maintaining the register	Consolidation method applied / measurement using the equity method or the indication that the entity is not subject to consolidation / measurement using the equity method	Date of control / joint control / significant influence acquisition	Percentage of share capital held	Share in the total number of votes at the general meeting
KRAKVET MARKETING Sp. z o. o. (formerly SFERIS MARKETING Sp. z o.o.)	Zamienie	trade in animal products, advertising services	subsidiary	District Court for the Capital City of Warsaw, 14 <sup>th</sup> Commercial Division of the National Court Register	full	14/12/2011	40%	25%
CLOUDTEAM Sp. z o. o.	Warsaw	training and IT services and rental of computer hardware	associate	District Court for the Capital City of Warsaw, 13 <sup>th</sup> Commercial Division of the National Court Register	measurement in the equity method	12/09/2012	24.38%	24.38%

## **2. Information about the principles applied in the preparation of the report**

The interim condensed consolidated financial statements of ACTION S.A.'s Capital Group for Q3 2022 were prepared in accordance with IAS 34 *Interim Financial Reporting*.

The Interim condensed consolidated financial statement prepared for the period from 1 January 2022 to 30 September 2022 contains comparative data for the period from 1 January 2021 to 30 September 2021.

Significant accounting principles applied in the preparation of this Interim Consolidated Financial Statement are presented below. These principles were applied consistently throughout the reporting periods, unless stated otherwise.

### **2.1. General principles of preparation**

This interim condensed consolidated financial statement was drawn up in accordance with the historical cost principle, except for financial assets held for trading (derivatives) measured at fair value.

The Interim Condensed Consolidated Financial Statement was prepared on a going concern basis for the foreseeable future.

As at the date of approving these Interim Condensed Consolidated Financial Statement, no circumstances indicated any threats to the business continuity by the Group.

The Interim Condensed Consolidated Financial Statement does not include all the information and disclosures required in the annual consolidated financial statement and should be read jointly with the consolidated financial statement of the Group prepared in accordance with the IFRS for the financial year finished on 31 December 2021, published on 30 March 2022.

### **2.2. Continuation of business activities**

This interim condensed consolidated financial statement of the ACTION S.A. Group was prepared on the assumption that the company would continue its business activities in the foreseeable future, not shorter than 12 months from the balance date.

### **2.3. Statement of compliance**

This interim condensed consolidated financial statement for the period from 1 January 2022 to 30 September 2022 was prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union, in particular in accordance with International Accounting Standard 34 Interim Financial Reporting. As of the approval date of this financial statement for publication, in terms of the accounting principles applied by the Group, there are no differences between the IFRS which are already in effect and the standards and interpretations approved by the European Union.

The IFRS comprise standards and interpretations published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

### **2.4. Material accounting principles**

The accounting policies applied to prepare this interim condensed consolidated financial Statement for Q3 2022 are consistent with those applied to prepare the annual consolidated financial statement for 2021.

A detailed description of the remaining accounting principles adopted by the ACTION S.A. Capital Group is presented in the annual consolidated financial statements for 2021, published on 30 March 2022.

## **2.5.Presentation currency, transactions in foreign currencies and measurement of items denominated in foreign currencies**

### **Functional and presentation currency**

The Polish zloty is the functional currency of the parent entity as well as the presentation currency for this Interim Condensed Consolidated Financial Statement.

This interim condensed consolidated financial statement is presented in the Polish zloty (PLN), and unless indicated otherwise, all figures are stated in thousands of PLN.

### **Principles applied to translation of financial data**

The financial data for the financial statement of ACTION EUROPE GmbH in Liquidation denominated in EUR have been translated as follows:

– individual items of the statement of financial position were translated at the average exchange rate published by the National Bank of Poland in force as of the balance sheet date; as of 30 September 2022 this exchange rate stood at: EUR 1 = PLN 4.8698, as of 31 December 2021: EUR 1 = PLN 4.5994 and as of 30 September 2021: EUR 1 = PLN 4.6329.

– individual items in the statements of comprehensive income and cash flow statements were translated at the exchange rate being the arithmetic mean of the average minimum and maximum exchange rates published by the National Bank of Poland, in force on the last day of each month; for Q3 2022 the exchange rate stood at: EUR 1 = PLN 4.6880; for Q3 2021: EUR 1 = PLN 4.5585;

The deletion of ACTION EUROPE GmbH in Liquidation from the court register took place on 25 April 2022.

## **3. Major estimates and judgements**

The preparation of the consolidated financial statement requires that the Management Board makes certain estimates as certain data included in the financial statement cannot be measured precisely. The Management Board verifies the estimates adopted on the basis of changes in factors taken into consideration in order to make the said estimates, new data or past experience. Therefore, the estimates made as of 30 September 2022 may be subject to adjustments in the future.

Areas for which the estimates made on the reporting date carry a risk of material adjustments of the carrying amount of declared assets and liabilities in the next or subsequent financial years are presented below.

### **3.1.Useful lives of property, plant and equipment and intangible assets**

As of 30 September 2022, the Group's companies estimated the use periods of property, plant and equipment and of intangible assets. The analysis did not reveal the necessity to make any adjustments in this area.

### **3.2.Impairment of goodwill and other intangible assets in subsidiaries**

As of 30 September 2022, the Group's companies estimated whether there were any indications of impairment of investments in subsidiaries (goodwill and other intangible assets).

Having analysed the external and internal sources of information, the Management Board did not identify any premises that would validate the need to recognise any additional impairment losses.

### 3.3.Taxes

Given the complexity of the tax law, inconsistency of tax interpretations and far-reaching fiscal stringency of the State, the Company has assessed risks related thereto. Deferred tax assets and provisions are recognised with respect to those items which will require a tax payment in the short term, provided taxable income is generated at a level that allows these amounts to be settled.

As in many other entities of the IT sector, ACTION S.A. sees the risk related to conducting increased fiscal inspections and verification activities in the area of correctness of tax settlements.

Currently, there are no tax audit proceedings pending at the Company. However, the following tax proceedings are pending before the courts:

– on 22 June 2016, the Company received a decision of the Head of the Tax Office in Olsztyn concerning the audit procedure of the accuracy of the declared tax bases and the correctness of VAT for individual settlement periods from July 2011 to January 2012. The decision was upheld by a decision of the Head of the Tax Chamber in Warsaw of 24/10/2016 (which the Company announced in current report no. 56/2016 of 07/11/2016). On 7 December 2016, the Company filed an appeal against the above decision with the Provincial Administrative Court, which dismissed the Company's appeal by way of the judgement of 28/12/2017.

In connection with the above, the Company appealed against that decision to the Supreme Administrative Court. In a judgment of 20 April 2022, the Supreme Administrative Court in Warsaw dismissed the cassation appeal filed by the Company against the above mentioned judgment of the Provincial Administrative Court in Warsaw. The judgment of the Supreme Administrative Court is final and non-appealable. The Company did not agree with the judgment and filed an appeal with the European Court of Human Rights. The amount of the object of the dispute in the above case was PLN 29,115 thousand. This receivable is covered by a composition agreement by virtue of law and is subject to repayment under the terms of a validly approved composition agreement in the Issuer's completed restructuring proceedings. To this extent, the above receivable has been provisioned against the financial year 2016.

– On 4 January 2018, the Head of the Mazowieckie Tax and Customs Office in Warsaw issued a decision questioning the amount of input VAT for the period between August and December 2010. The Company lodged an appeal against that decision, which was not taken into account, because by way of a decision of 20/04/2018 the Head of the Tax Administration Chamber in Warsaw upheld the contested decision. The Company filed an appeal against that decision with the Provincial Administrative Court in Warsaw. By way of a judgment of 12/03/2019, the Provincial Administrative Court in Warsaw dismissed the Company's appeal against the decision of the Head of the Tax Administration Chamber in Warsaw of 20/04/2018. The Company disagrees with this ruling, so appealed to the Supreme Administrative Court. By way of a judgment of 20/04/2022, the Supreme Administrative Court in Warsaw set aside the above-mentioned decision of the Provincial Administrative Court in Warsaw in the part relating to months from August to November 2010 (in the remaining part, concerning December 2010 – it dismissed the appeal). Accordingly, the case was referred to the Provincial Administrative Court in Warsaw for re-examination. The amount of the object of the dispute in this case was PLN 3,442 thousand. This receivable is covered by a composition agreement by virtue of law and is subject to repayment under the terms of a validly approved composition agreement in the Issuer's completed restructuring proceedings. To this extent, the above receivable has been provisioned against the financial year 2017.

In the Company's view, the above decisions claim the Company's legally non-existent liability for tax obligations of third parties which, at earlier stages of trading in goods, failed to pay VAT. However, as the decision rendered in one of the aforementioned cases has become final and binding, the Company is obliged to implement this ruling.

The total value of liabilities resulting from the above decisions being the subject of the described court proceedings and the previously conducted proceedings concerning VAT and CIT recognised on the books as at 30 September 2022 amounts to PLN 10,142 thousand. The Issuer explains that the presented amount takes into account the current balances of provisions for these liabilities, pursuant to the degree of reduction resulting from the legally approved composition agreement in the Company's restructuring proceedings and the payments of composition instalments made to date.

The Company exercises and has always exercised the utmost diligence while making transactions, remains and has always remained cautious in establishing cooperation, has acted and still acts in good faith in accordance with the procedures adopted by the Company and the highest standards of cooperation. Therefore, in the opinion of the Management Board of the Parent Company, the probability that the ongoing judicial appeal proceedings will yield a negative final outcome remains low.

### **3.4. Employee benefits**

The current value of pension and disability pension benefits is established using the actuarial method. In order to determine the said value using the actuarial method, it is necessary to adopt certain assumptions concerning discount rates, projected pay rises or projected increases of pension benefits. Given the complexity of the measurement, the assumptions adopted as well as the long-term nature, liabilities on account of pension and disability pension benefits are sensitive to changes in their underlying assumptions. All the assumptions are verified on the balance sheet date.

### **3.5. Recognition of the costs of products, goods and materials sold**

As at each balance sheet date, the Group calculates the value of post-transactional rebates that are due from suppliers but have not been settled as at the balance sheet date. The estimates are based on the rules of awarding discounts agreed on with the suppliers and corroborated by agreements or other arrangements in amounts confirmed by suppliers.

### **3.6. Write-downs on receivables**

The Group's companies update the value of their receivables on an ongoing basis taking into account the probability of their payment by means of appropriate write-downs. Probability is estimated on the basis of the opinion of the Management Board about the recoverability of overdue receivables and an assessment of the threat of non-recoverability of overdue receivables.

## **4. Information about business segments**

Since 1 January 2010, the ACTION S.A. Capital Group has been obliged to present its results using the layout defined in the IFRS 8 *Operating Segments*.

This standard defines a segment as a component of an entity:

- which engages in business activities with respect to which it may derive revenue and incur expenses;
- whose operating results are regularly reviewed by a central body which is responsible for making decisions with regard to the entity's operations and which relies on these results while making decisions on allocating resources to the segment;
- for which separate financial information is available.

According to the definitions included in IFRS 8, the Group's business is based on the distribution of IT products, including: ready-to-use solutions, consumer electronics and components, and is presented in this statement in a single operating segment because:

- sales revenue earned from that business exceeds 80.9% of the revenue in total generated by the Capital Group;
- no separate financial information is prepared for individual sales channels, which is connected with the industry-specific pattern of cooperation with suppliers whose products are distributed through all of the sales channels;
- in the absence of separate segments, i.e. non-availability of separate financial information for individual product groups, operating decisions are made on the basis of numerous detailed analyses and financial results from the sale of all products in all distribution channels;



– the Management Board of ACTION S.A.; – the main body responsible for making decisions with regard to the entity's operations, due to the specific nature of distribution in individual sales channels, makes decisions to allocate resources on the basis of achieved and foreseeable results of the Capital Group as a whole, as well as planned returns on allocated resources and the analysis of the environment.

## 5. Revenue and expenses

### 5.1. Seasonal nature of sales

The Group records the highest sales in the fourth quarter of the financial year, i.e. between October and December. In other quarters sales remain at a similar level. However, this does not mean that sales revenue is seasonal or cyclical in any significant way.

### 5.2. Sales revenue

Most sales revenue is related to the sales of computer hardware, consumer electronics, household appliances and IT accessories.

	<b>For the period 1/01/2022 – 30/09/2022</b>	<b>For the period 1/01/2021 – 30/09/2021</b>
Revenue from sales of products (services)	22,323	18,105
Revenue from sales of goods and materials	1,670,041	1,582,613
	<b>1,692,364</b>	<b>1,600,718</b>

### 5.3. Costs by type

	<b>For the period 1/01/2022 – 30/09/2022</b>	<b>For the period 1/01/2021 – 30/09/2021</b>
Depreciation/amortisation of fixed and intangible assets	6,341	6,144
Costs of employee benefits	52,980	44,246
Consumption of materials and energy	10,241	6,365
Outsourcing	37,427	29,104
Taxes and charges	1,142	1,244
Distribution expenses	5,270	5,535
Property and personal insurance	636	568
Other costs by type	245	133
Costs of products, goods and materials sold, including	1,545,278	1,462,984
– write-down on inventories	-682	-5
Total costs of products, goods and materials sold, selling and marketing expenses as well as general management costs	<b>1,659,560</b>	<b>1,556,323</b>

### 5.4. Costs of employee benefits

	<b>For the period 1/01/2022 – 30/09/2022</b>	<b>For the period 1/01/2021 – 30/09/2021</b>
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Payroll	44,156	37,847
Social security and other benefits	8,824	6,399
	<b>52,980</b>	<b>44,246</b>

### 5.5. Other operational revenue

	For the period 1/01/2022 – 30/09/2022	For the period 1/01/2021 – 30/09/2021
Surplus of foreign exchange gains	0	0
Revenue from overdue liabilities	36	191
Revenue from damages received	1,547	448
Revenue from provisions released	557	39,078
Other revenue	298	556
Gain on disposal of non-financial financial assets	0	0
Profit on disposal of non-financial non-current assets	0	1
	<b>2,438</b>	<b>40,274</b>

### 5.6. Other costs and losses

	For the period 1/01/2022 – 30/09/2022	For the period 1/01/2021 – 30/09/2021
Surplus of foreign exchange losses	0	0
Costs of damages paid	1,549	469
Costs of measurement of financial instruments	0	0
Costs of impairment write-downs on receivables	0	0
Costs of receivables written off	57	108
Costs of court proceedings	31	32
Costs due to provisions established	0	186
Costs of write-downs on financial assets	0	0
Costs of donations given	167	338
Loss on disposal of non-financial fixed assets	13	0
Other costs	126	122
	<b>1,943</b>	<b>1,255</b>

### 5.7. Financial revenue

	For the period 1/01/2022 – 30/09/2022	For the period 1/01/2021 – 30/09/2021
Interest on cash and cash equivalents (deposits)	1,517	40
Interest on borrowings and receivables	47	0
Capital revenue	0	0
Interest received	3,360	0
Revenue from measurement of financial instruments	0	0
	<b>4,924</b>	<b>40</b>

## 5.8. Financial costs

	For the period 1/01/2022 – 30/09/2022	For the period 1/01/2021 – 30/09/2021
Interest on loans and borrowings	61	25
Interest on leases	34	25
Costs of measurement of financial instruments	441	372
Interest and discount due to factoring	16	0
Discount on liabilities covered by the Composition Agreement	1,608	1,996
	<b>2,160</b>	<b>2,418</b>

## 5.9. Income tax

	For the period 1/01/2022 – 30/09/2022	For the period 1/01/2021 – 30/09/2021
Current tax	2,982	0
Deferred tax	3,418	8,426
	<b>6,400</b>	<b>8,426</b>

### Deferred tax

Value of deferred income tax subject to offsetting:

	30/09/2022	31/12/2021
Deferred income tax assets:		
– deferred income tax assets falling due within 12 months	6,904	8,289
	<b>6,904</b>	<b>8,289</b>
Deferred income tax provisions:		
– deferred income tax provisions falling due within 12 months	7,938	5,905
	<b>7,938</b>	<b>5,905</b>
<b>Deferred income tax assets</b>	<b>6,904</b>	<b>8,289</b>
<b>Deferred income tax provisions</b>	<b>7,938</b>	<b>5,905</b>
<b>Deferred income tax assets / provisions (on balance)</b>	<b>-1,034</b>	<b>2,384</b>

Changes in deferred income tax (after taking into account the set-off of assets and provisions) are as follows:

	30/09/2022	31/12/2021
<b>Opening balance</b>	<b>2,384</b>	<b>10,045</b>
Credit to / charge on the financial result	-3,418	-7,661
Increase / decrease in equity	0	0
<b>Closing balance</b>	<b>-1,034</b>	<b>2,384</b>

## 5.10. Tangible fixed assets

In the period covered by the report the Group did not incur any material capital expenditures. Investment expenses incurred in Q3 2022 were related to the adaptation and modernisation of the building which is the registered office of ACTION S.A.

## 5.11. Investment real properties

Investment real properties comprise:

- acquired rights of perpetual usufruct of land,
- ownership titles to buildings with the initial value totalling PLN 3,545 thousand.

As of 30 September 2022, the carrying amount of real properties is PLN 3,592 thousand. Revenue from rental of real properties in the reporting period was PLN 206 thousand. Real property is measured at the acquisition price.

The estimated fair value from an independent measurement (level III of fair value estimation) of these real properties is PLN 6,792 thousand.

As of the date of drawing up this financial statement, there were no restrictions on using investment real properties by the Company, obtaining rent-related economic benefits or disposal of the aforesaid real properties.

Investment real properties do not constitute collateral for liabilities due to loans, borrowings or other transactions.

## 5.12. Inventories

	30/09/2022	31/12/2021	30/09/2021
Materials	0	0	0
Goods	282,415	257,780	234,350
Advances on deliveries	0	0	0
	<b>282,415</b>	<b>257,780</b>	<b>234,350</b>
Write-downs on inventories	-7,437	-7,767	-6,488
<b>Inventories</b>	<b>274,978</b>	<b>250,013</b>	<b>227,862</b>

### Write-downs on inventories

	30/09/2022	31/12/2021	30/09/2021
<b>Opening write-down on stocks</b>	<b>-7,767</b>	<b>-6,493</b>	<b>-6,493</b>
Created (Costs of products, goods and materials sold)	-3,550	-3,880	-2,237
Used	3,880	0	0
Released (Costs of products, goods and materials sold)	0	2,606	2,242
<b>Closing write-downs on inventories</b>	<b>-7,437</b>	<b>-7,767</b>	<b>-6,488</b>

### 5.13. Write-downs on trade and other receivables

	30/09/2022	31/12/2021	30/09/2021
<b>Opening write-downs on receivables</b>	<b>-9,826</b>	<b>-12,464</b>	<b>-12,464</b>
Created	-307	-1,834	-1,192
Used	3,533	1,495	569
Released	748	2,977	2,969
<b>Closing write-downs on receivables</b>	<b>-5,852</b>	<b>-9,826</b>	<b>-10,118</b>

### 5.14. Loans, borrowings and other liabilities on account of financing

	30/09/2022	31/12/2021	30/09/2021
<b>Long-term</b>			
Investment loan	0	0	0
Lease liabilities	1,831	1,070	665
Borrowings	0	0	0
Liabilities due to bonds	0	0	0
	<b>1,831</b>	<b>1,070</b>	<b>665</b>
<b>Short-term</b>			
Overdraft and investment loan	0	0	0
Lease liabilities	808	478	370
Borrowings	1,000	1,025	1,023
Liabilities due to bonds	0	0	0
	<b>1,808</b>	<b>1,503</b>	<b>1,393</b>
<b>Total</b>	<b>3,639</b>	<b>2,573</b>	<b>2,058</b>

### Ageing structure of liabilities arising from loans, borrowings and other financing liabilities

	30/09/2022	31/12/2021	30/09/2021
<b>Liabilities with the repayment period calculated from the balance sheet day</b>			
Up to 1 year	1,808	1,503	1,393
1 to 5 years	1,831	1,070	665
Over 5 years	0	0	0
<b>Total</b>	<b>3,639</b>	<b>2,573</b>	<b>2,058</b>

## Lease liabilities

	30/09/2022	31/12/2021	30/09/2021
<b>Nominal value of minimum lease payments</b>			
Up to 1 year	888	519	401
1 to 5 years	2,014	1,161	722
Over 5 years	0	0	0
<b>Total financial lease liabilities – total minimum lease payments</b>	<b>2,902</b>	<b>1,680</b>	<b>1,123</b>
Financial costs due to financial lease	263	132	88
<b>Current value of minimum lease payments</b>			
Up to 1 year	808	478	370
1 to 5 years	1,831	1,070	665
Over 5 years	0	0	0
<b>Total current value of minimum lease payments</b>	<b>2,639</b>	<b>1,548</b>	<b>1,035</b>

## 6. Contingent assets and liabilities

As of 30 September 2022, the Group had contingent receivables due to the repayment of receivables of PLN 1,766 thousand. Security liabilities resulting from agreements signed as at the reporting date and not reflected in the Interim Consolidated Financial Statements of the Group amounted to PLN 8,904 M as at 30 September 2022 and to PLN 10,871 M as at 31 December 2021.

	30/09/2022	31/12/2021	30/09/2021
<b>1. Contingent receivables</b>	<b>1,766</b>	<b>7,407</b>	<b>8,246</b>
1.1. From other entities (due to)	1,766	7,407	8,246
– guarantees and sureties received	1,766	7 4075	8,246
<b>2. Contingent liabilities</b>	<b>8,904</b>	<b>10,871</b>	<b>11,572</b>
1.1. To other entities (due to)	8,904	10,871	11,572
– guarantees and sureties granted	8,904	10,871	11,572
– letters of credit	0	0	0
<b>3. Other (due to)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total off-balance sheet items</b>	<b>10,670</b>	<b>18,278</b>	<b>19,818</b>

## 7. Implementation of the composition agreement

On the basis of the decision of the District Court for the Capital City of Warsaw in Warsaw, 18<sup>th</sup> Division for Bankruptcy and Restructuring (file no. XVIII GRs 1/19) of 07/08/2020 the composition agreement in the restructuring proceedings was approved (hereinafter referred to as: the 'Composition Agreement'). This decision is final and non-appealable as of 15/12/2020. As of this date – pursuant to Article 324(1), Article 27(1) and Article 329(1) of the Polish Restructuring Law Act – these restructuring proceedings were completed, the Administrator ceased to perform their function and the Issuer regained full right of independent management.

The Company published the composition proposals in the appendix to current report No 37/2019 of 07/08/2019, which, once voted on by the creditors and approved by the court, became the Composition Agreement.

As a consequence of the final approval of the Composition Agreement, the Issuer commenced its implementation. The Issuer implements the Composition Agreement in accordance with its content. In the period from the date when the Composition Agreement became effective, i.e. 15/12/2020 until the balance sheet date, i.e. 30/09/2022, the Issuer made repayments in the total amount of PLN 75,145 thousand, EUR 1,766 thousand and USD 3,412 thousand in the form of cash payments. These amounts include one-off payments (Groups II and III of the Composition Agreement) and seven instalments paid to creditors of Group I and the first part of payments to creditors of Group IV. The total amount of PLN 68,935 thousand, EUR 1,703 thousand and USD 5,727 thousand remains to be paid on account of the Composition Agreement.

## **8. Events after the balance sheet date**

On 26 October 2022 the Management Board of ACTION S.A. (Company, Issuer) made public, in appendix to the report no. 49/2022, the content of the Resolutions passed by the Ordinary General Meeting of the Shareholders of ACTION S.A. which took place on 26 October 2022 in the office of ACTION S.A. at ul. Dawidowska 10 in Zamienie, Piaseczno District, Mazowieckie Province.

On 26 October 2022 the Management Board of ACTION S.A. (hereinafter also referred to as the "Issuer", "Company") informed that, based on Resolutions no. 3 and 5 of the Extraordinary General Meeting of ACTION S.A. of 26/10/2022, the Management Board has been authorised to acquire Company's own shares and that the reserve capital has been established to fund the acquisition of own shares. Pursuant to the above-mentioned Resolutions of the General Meeting of the Company, based on the authorisation granted, the Management Board is entitled to make decision on acquiring Company's own shares. The Issuer's Management Board will notify of making the above-mentioned decision and principles for acquiring own shares. Own shares may be acquired for redemption or reduction of the Company's share capital, further transfer by the Company, fulfilling obligations resulting from call options or other assignment of shares to employees or members of administration, management or supervisory bodies of the Company or associates. The maximum amount of money allocated to the acquisition of own shares programme is set at PLN 20,000,000. The maximum number of shares for acquisition within the authorisation is 2,003,700 shares. The Management Board is authorised to acquire own shares in the period from 26 October 2022 to 30 September 2027.

On 28 October 2022 the Management Board of ACTION S.A. (hereinafter also referred to as the "Issuer", "Company"), in relation to the current report no. 51/2022 of 26/10/2022, notified that on 28/10/2022 the Issuer made the decision to commence the programme for the acquisition of own shares within the authorisation contained in Resolutions no. 3 and 5 of the Extraordinary General Meeting of ACTION S.A. of 26/10/2022 and established the following detailed terms and conditions for acquiring own shares: 1. Company's own shares may be acquired for redemption or reduction of the Company's share capital, further transfer by the Company, fulfilling obligations resulting from call options or other assignment of shares to employees or members of administration, management or supervisory bodies of the Company or associates. 2. The amount of funds allocated for the implementation of the Programme will not exceed PLN 20,000,000. 3. The maximum of 2,003,700 Company's shares may be acquired within the Programme. 4. The Programme is implemented by the Management Board in the period from 28 October 2022 to 30 September 2027, but no longer than until the funds allocated for its implementation are exhausted, or the Management Board decides to terminate the Programme or any part of it before the end of the aforementioned period, in accordance with the provisions of the Resolution. 5. The price for which the Company will acquire own shares within the Programme may not be lower than the nominal value of shares and may not be higher than PLN 35, taking into account the legal regulations set out in section 6 below. 6. In the case of acquiring Company's own shares in transactions on the regulated market run by the Warsaw Stock Exchange: a) transactions will be concluded under terms and conditions set out in Article 5 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC and the Commission Delegated Regulation (EU) No 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council

with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures; b) the maximum number of shares acquired by the Company on each financial day of the Programme may not exceed 25% of the average daily volume of trading in shares on the trading venue, with the average daily volume of the aforementioned trading established over the 20 trading days preceding the date of acquisition of the Company's shares. 7. In the case of acquiring Company's own shares in transactions outside the regulated market run by the Warsaw Stock Exchange, the Management Board will prepare separate detailed terms and conditions for acquiring Company's own shares, taking into account the provisions of the Resolution. 8. The Programme will be implemented with participation of Securities S.A. With its registered office in Warsaw. 9. The Company plans to start acquiring own shares under the Programme on 28 October 2022. Legal basis: Article 2(1) of the Commission Delegated Regulation (EU) No 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures.

On 10 November 2022 the Management Board of ACTION S.A. (hereinafter also referred to as the "Issuer", "Company") informed that on 10 November 2022, the District Court for the Capital City of Warsaw, 14<sup>th</sup> Commercial Division of the National Court Register recorded changes in the Company's Articles of Association in the National Court Register's Register of Entrepreneurs. The above-mentioned changes in the Articles of Association of the Issuer result from adopting Resolutions no. 6-11 by the Extraordinary General Meeting of the Company on 26 October 2022, the content of which is disclosed in the current report no. 49/2022 of 26 October 2022.

On 28/11/2022, in relation to the current report no. 8/2019 of 12 March 2019 and the current report no. 17/2022 of 20 April 2022, the Management Board of ACTION S.A. (Company, Issuer) informed that, on 25/11/2022, the Provincial Administrative Court in Warsaw decided to defer the ruling relating to the judgment of the Supreme Administrative Court in Warsaw of 13 April 2022 until 14/12/2022. The amount in controversy in this case is PLN 3,442 thousand. This receivable is covered by a composition agreement by virtue of law and is subject to repayment under the terms of a validly approved composition agreement in the Issuer's completed restructuring proceedings. To this extent, the above receivable has been provisioned against the financial year 2017.



### III. Other quarterly financial information

#### 1. Description of the Issuer's significant achievements and failures in the period covered by the statement together with a list of the most important events relating thereto

##### 1.1. Selected financial data of the ACTION S.A. Capital Group

	Q3 2022	Q3 2021
<b>Net sales</b>	<b>577,101</b>	<b>541,534</b>
<b>Gross profit on sales</b>	<b>49,711</b>	<b>47,072</b>
<i>gross margin</i>	8.61%	8.69%
<b>EBIT</b>	<b>10,497</b>	<b>13,726</b>
<i>EBIT margin</i>	1.82%	2.5%
<b>Profit after tax</b>	<b>12,213</b>	<b>10,355</b>
<i>net margin</i>	2.12%	1.91%

In Q3 2022, the ACTION S.A. Group achieved sales revenue of PLN 577,101 thousand, up 6.57% compared to the sales in the corresponding period of the previous year.

In the reported period, the Group recorded a profit on sales of PLN 49,711 thousand, showing an increase in value of 5.61% in this respect. The operating profit for Q3 2022 was PLN 10,497 thousand versus PLN 13,726 thousand in the previous year. The net profit of the period was PLN 12,213 thousand versus PLN 10,355 thousand for Q3 2021. The gross margin on sales in the same period reached 8.61% versus 8.69%. In the view of the Management Board of ACTION S.A., the results of Q3 2022 were most influenced by the positive effects of increased demand for the goods offered by the entities of ACTION S.A. Group, as well as positive effects of the Issuer's restructuring completed last year. Factors resulting from the COVID-19 pandemic were also of significant importance.

By the end of 2022 the Group will anticipate:

- an increased demand for goods offered by the Group's entities;
- to acquire new business partners and products to meet the current demand;
- the number of customers will increase and the retail channel will be developed;
- further increase in the importance of foreign trade;
- visible achievements on the renewable energy market, in particular in the area of sales of PV solutions;
- further increase in demand for goods and services offered by the ACTION S.A. Group.

## 1.2. Selected financial data of ACTION S.A.

	Q3 2022	Q3 2021
<b>Net sales</b>	577,104	541,758
<b>Gross profit on sales</b>	<b>49,618</b>	<b>47,481</b>
<i>gross margin</i>	8.60%	8.76%
<b>EBIT</b>	<b>10,452</b>	<b>13,161</b>
<i>EBIT margin</i>	1.81%	2.43%
<b>Profit after tax</b>	<b>12,112</b>	<b>9,913</b>
<i>net margin</i>	2.10%	1.83%

## 2. Description of factors and events, especially of unusual nature, having a material impact on the financial results achieved

During the first three quarters of 2022, the most significant factor affecting the results of the ACTION S.A. Capital Group was the outbreak of war in Ukraine, the influence of military operations on the prices of fuels and energy as well as the impact of the above on consumer sentiments and the sentiment among entrepreneurs.

All the above-described aspects had an essential impact on the Company's results.

In addition, the effects of the COVID-19 pandemic were still observed factors of unusual nature.

## 3. Issue, redemption and repayment of non-equity and equity securities

On 4 July 2014, ACTION S.A. issued 10,000 bearer, dematerialised, coupon, unsecured series ACT01040717 bonds with a nominal value of PLN 10,000 each and a total nominal issue value of PLN 100,000,000.

The bonds were issued pursuant to Article 9(3) of the Bonds Act (non-public issue) and under the Bonds Issue Program of ACTION S.A.

Claims on account of redemption and interest on series ACT01 040717 bonds whose payment dates fall after the opening date of the restructuring proceedings were subject to a composition by virtue of the law pursuant to Article 150(1)(1) of the R.L.

In connection with the legally binding approval of the composition agreement in the Issuer's restructuring proceedings, claims on account of series ACT01040717 bonds are subject to repayment under the conditions of Article 2.4. of the composition agreement.

The Issuer repaid 40.35% of the amount of the principal amount on 29 January 2021 in the amount of PLN 40,350 thousand.

Moreover, pursuant to Article 169(3) of the Polish Restructuring Law Act the conversion of claims into shares was performed on the date on which the decision on the approval of the composition agreement became final, i.e. on 15/12/2020, and thus the composition agreement was implemented in the scope of the

repayment of 9.65% of the amount of the principle. The converted shares are subject to the entry in KDPW S.A. On 19/05/2021, the Company entered into an agreement with KDPW S.A. for this purpose. The D series shares were registered on 25/06/2021 and, on 3/09/2021, the D series shares were assimilated with the shares of previous issues and the D series shares were introduced to trading on the Warsaw Stock Exchange S.A. Actions relating to the registration of shares and their introduction to trading concerned 2,972,816 D series shares. The Issuer explains that the total number of D series shares issued by the Company is 3,080,000. However, on the basis of the decisions of the District Court in Warsaw on granting security (of which the Issuer informed in current report no. 16/2021 of 8/03/2021 and current report no. 22/2021 of 29/03/2021), the Company was prohibited from making declarations of intent to KDPW S.A. concerning the registration of a total of 107,184 D series shares. As a result, all remaining D series shares, i.e. 2,972,816 shares, were registered with the KDWP. Also as a consequence of this, the Issuer's application for admission of D series shares to trading on the regulated market included only 2,972,816 of these shares, and D series shares in this number are traded on the Warsaw Stock Exchange (GPW S.A.)

As at the balance sheet date, the outstanding amount of PLN 7,500 thousand, accounting for 7.5% of the principal amount, will be repaid in cash on the last working day of the calendar month following the quarter in which the last quarterly instalment payable to Group I Creditors was due. This amount is presented in the item "Long-term liabilities subject to composition repayments".

On 24 October 2014, SFERIS MARKETING S.A. (currently KRAKVET MARKETING Sp. z o.o.) concluded an agreement to take out a borrowing of PLN 1,000 thousand from its main shareholder, Piotr Bieliński. The borrowing bears interest at a variable interest rate of WIBOR 3M + the lender's margin. The borrowing matures on 31 December 2023.

#### **4. Information about the dividend paid/declared**

In 2021, the Company recorded a profit. In accordance with the draft resolutions published on 19/05/2022 in the current report no. 25/2022, the entire profit made in 2021 is allocated to the supplementary capital.

#### **5. Statement of the Management Board of the Company on the probability of meeting the previously published forecasts for the given year in light of the results presented in the quarterly statement in relation to the forecasts:**

In the period covered by the report, the Company did not publish any stock exchange forecasts of results.

#### **6. Effects of changes in the Group's structure**

On 12 August 2022, the merger of ACTION S.A. (as the acquirer) with the subsidiary ACTIVEBRAND Sp. z o.o. was registered in the National Court Register.

#### **7. Shareholders holding, directly or indirectly through their subsidiaries, at least 5% of total votes at the Company's general meeting as at the date of submitting the Quarterly Statement, including the number of shares held by such entities, their percentage share in the share capital, the number of votes conferred by those shares and their percentage share in the total votes at the general meeting and specification of changes in the ownership structure of the Company**

According to information available to the Company, the shareholders holding at least 5% of total votes at the AGM as of the submission date of the previous report for H1 2022, i.e. 28 September 2022, were:

Natural or legal person	Number of shares held	Percentage share in the capital of ACTION S.A.	Number of votes	% share in the number of votes
Piotr Bieliński	3,811,749	19.02%	3,811,749	19.02%
Aleksandra Matyka	3,093,457	15.44%	3,093,457	15.44%
Wojciech Wietrzykowski	1,199,390	5.99%	1,199,390	5.99%
Lemuria Partners Sicav P.L.C.	1,018,000	5.08%	1,018,000	5.08%
Other	10,914,404	54.47%	10,914,404	54.47%

The composition of shareholders holding more than 5% of shares in the share capital as of the date of preparation of this report for Q3 2022, i.e. 29 November 2022, remained unchanged and it was as follows:

Natural or legal person	Number of shares held	Percentage share in the capital of ACTION S.A.	Number of votes	% share in the number of votes
Piotr Bieliński	3,811,749	19.02%	3,811,749	19.02%
Aleksandra Matyka	3,093,457	15.44%	3,093,457	15.44%
Wojciech Wietrzykowski	1,199,390	5.99%	1,199,390	5.99%
Lemuria Partners Sicav P.L.C.	1,018,000	5.08%	1,018,000	5.08%
Teamworks FZE	1,011,529	5.05%	1,011,529	5.05%
Other	9,902,875	49.42%	9,902,875	49.42%

## 8. List of changes in the Company shares or share rights (options) held by persons managing and supervising the Company, according to the information available to the Company

As at the submission date of the report for H1 2022, , that is, 28 September 2022, the ACTION S.A. shareholding by managers and supervisors was as follows:

First and last name	Position in the management of ACTION S.A.	Number of shares of ACTION S.A.
Piotr Bieliński	President of the Management Board	3,811,749
Sławomir Harazin	Vice-President of the Management Board	15,017
Iwona Bocianowska	Chair of the Supervisory Board	0
Piotr Chajderowski	Member of the Supervisory Board	0
Marek Jakubowski	Member of the Supervisory Board	0
Krzysztof Kaczmarczyk	Member of the Supervisory Board	0
Adam Świtalski	Member of the Supervisory Board	0
Wojciech Wietrzykowski	Holder of the commercial power of attorney	1,199,390
Andrzej Biały	Holder of the commercial power of attorney	20,000

According to the information held by the Company, the above status did not change as at the date of submission date of preparation of this report for Q3 2022, i.e. 29 November 2022, the above condition remained unchanged and it was as follows:

First and last name	Position in the management of ACTION S.A.	Number of shares of ACTION S.A.
Piotr Bieliński	President of the Management Board	3,811,749
Sławomir Harazin	Vice-President of the Management Board	15,017
Iwona Bocianowska	Chair of the Supervisory Board	0
Piotr Chajderowski	Member of the Supervisory Board	0
Marek Jakubowski	Member of the Supervisory Board	0
Krzysztof Kaczmarczyk	Member of the Supervisory Board	0
Adam Świtalski	Member of the Supervisory Board	0
Wojciech Wietrzykowski	Holder of the commercial power of attorney	1,199,390
Andrzej Biały	Holder of the commercial power of attorney	20,000

## 9. Identification of material proceedings pending before a court, competent arbitration authority or public administration authority

The Company has instituted court proceedings to recover receivables of PLN 174,446 thousand from one of the banks as compensation. The bank sued does not recognise the claim. The proceedings were initiated in April 2017, and the date for their resolution – mainly, due to the high complexity of the issues involved – is difficult to determine. Analyses of the above case carried out so far indicate that there are justified grounds for the Company to bring this case before the Court.

In addition, the proceedings in one VAT case are still not definitively resolved. However, in the second VAT proceedings to date, there has been a final and non-appealable court decision and the Company has filed an appeal with the European Court of Human Rights. These cases are described in detail in note 3.3 Taxes. The total value of liabilities resulting from decisions subject to court proceedings and administrative proceedings concerning VAT and CIT described in Note 3.3 Taxes recognised in the books as at 30 September 2022 amounts to PLN 10,142 thousand. The Issuer explains that the above amount takes into account the current balances of provisions for these liabilities, pursuant to the degree of reduction resulting from the legally approved composition agreement in the Company's restructuring proceedings and the payments of composition instalments made to date.

## 10. Information on the conclusion by the Company or its subsidiary of one or more transactions with related parties, if they are material (individually or jointly) and if they were concluded on other than market terms, with an indication of their value

In the reporting period the Group did not enter into any atypical transactions with related parties.

## 11. Information on granting by the Company or its subsidiary of sureties for loans or borrowings or guarantees – jointly to a single entity or its subsidiary if the total amount of the existing sureties or guarantees is significant

Hedging liabilities (guarantees, sureties and letter of credit) with respect to third parties, arising from agreements signed as of 30 September 2022, amounted to PLN 8,904 thousand. The share of guarantees and sureties to one entity granted in the Company's equity did not exceed 10% and it is not significant. Guarantees and sureties granted are described in Note 6 of the *Notes on the condensed consolidated financial statement – Contingent assets and liabilities*.

## **12. Other information relevant to the evaluation of the Group's HR, property and financial situation, its financial result and ability to meet liabilities**

Until the publication of this report, there were no such information other than those included in this report and published in the form of current reports. Furthermore, as in the previous periods, by the end of 2022 the Company will be undertaking a range of measures aimed at adjusting the employment structure to its current needs.

## **13. Factors affecting the Group's results by the end of 2022.**

The most important factor affecting the Group's results by the end of 2022 is, in Management Board's view, the impact of the war in Ukraine, the resulting scale of the observed energy crisis and the effects of inflation. Apart from the above, the most important factors affecting the results generated in the future include:

in relation to internal factors:

- a) Ongoing processing of composition-related payments.
- b) Ongoing analysis of the profitability of transactions and the markets served with a clear focus on the small customer and retail market including in particular e-commerce, in Poland and abroad.
- c) Constant supervision over the development of Sferis.pl and krakvet.pl.
- d) Operations connected with active participation in the renewable energy market, in particular the PV market.
- e) Ongoing supervision of the scope of the commercial offer and entry into new markets.
- f) Strict control of the effectiveness of managing current assets, in particular inventories.
- g) Ongoing monitoring of risks related to the operations of the ACTION S.A. Group and taking measures to limit or eliminate them.
- h) Ongoing analysis and strict control of the cost effectiveness of operations.
- i) Ongoing control and effective financial management.
- j) Effective use of the available logistic resources.
- k) Active monitoring of changes in markets and searching for new business areas.

in relation to external factors:

- a) Effects of changes caused by warfare in Ukraine.
- b) Results of fiscal proceedings against the Issuer's largest competitors and their impact on their operations and market structure.
- c) Conduct of financial institutions, including banks and insurers.
- d) Changes in the distribution market and consumer behaviour.
- e) Technological changes in products offered.
- f) Changes in market shares of the Issuer's largest suppliers and clients.
- g) Economic and political situation in Poland and around the world.
- h) Effects of implemented and planned changes in law.
- i) Scale of investment projects implemented in Poland, in particular IT investment projects.
- j) Changes in the current and long-term monetary policy in Poland and around the world.
- k) Impact of the COVID-19 epidemic effects, in particular on the supply and demand for goods offered by the Issuer and the above-mentioned issues.

In connection with the political and economic situation on the territory of Ukraine and the maintenance by the President of the Council of Ministers of the CRP alert level on the territory of Poland concerning the threat of a terrorist incident regarding the ICT systems of public administration bodies or the ICT systems, the Issuer monitors and evaluates the impact of the above situation on the operations of the Company and its Capital Group. In compliance with sanction provisions, the Company does not cooperate with sanctioned entities. The issue of supply of products manufactured by the Company's contractors in the sanctioned territories is assessed in the same manner. Therefore, apart from the changes in demand caused by the geopolitical situation, currently, the political and economic situation in the territory of Ukraine has no actual direct impact on the operations of the Issuer and the Group, going concern assumptions, financial results, items presented

in financial statements as at the balance sheet date, as well as recognition and measurement of items after the balance sheet date. Due to the presented principles of cooperation with entities from the sanctioned territories of Ukraine, Russia and Belarus, the Company does not assume a negative impact of the discussed situation on the operations of the Issuer and its Group in the future. However, in the event of unexpected circumstances, in particular prolonged military operations or extension of their territorial scope, as well as prolonged energy crisis, potential disruptions in supply chains and a general increase in operating expenses may occur, which could have a negative impact on the activities of the Company and the Capital Group.

## 14. Transactions with related entities

All transactions with subsidiaries were eliminated in the process of consolidation.

ACTION S.A. has personal ties with the following entities: ACTION CT WANTUŁA Sp. j., ACTIVE TRAVEL Sp. z o.o. in liquidation and TYTANID Sp. z o.o., which do not give the Company any control or significant influence.

### 14.1. Transactions concluded between the Group's companies and related parties not subject to consolidation.

The tables below present the amounts of mutual settlements and transactions made between the Group's companies and related entities not subject to consolidation.

Data as of 30 September 2022 and for the period 01/01/2022 to 30/09/2022

	Receivables	Liabilities	Sales revenue	Purchases and costs
ACTION CT WANTUŁA Sp. j. *)	0	0	0	0
ACTIVE TRAVEL Sp. z o.o. in liquidation **)	0	0	0	0
ACTION ENERGY Sp. z o.o. ***)	185	0	0	0
TYTANID Sp. z o.o. ****)	0	0	0	0
<b>Total</b>	<b>185</b>	<b>0</b>	<b>0</b>	<b>0</b>

Data as at 30 September 2021 and for the period 1/01/2021 – 30/09/2021

	Receivables	Liabilities	Sales revenue	Purchases and costs
ACTION CT WANTUŁA Sp. j. *)	0	0	0	0
ACTIVE TRAVEL Sp. z o.o. in liquidation **)	0	0	0	0
ACTION ENERGY Sp. z o.o. ***)	184	0	0	0
TYTANID Sp. z o.o. ****)	0	0	0	0
<b>Total</b>	<b>184</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*) ACTION CT WANTUŁA Sp. j. with its registered office in Poznań.

\*\*\*) ACTIVE TRAVEL Sp. z o.o. in liquidation with its registered office in Michałów-Grabina.

\*\*\*\*) ACTION ENERGY Sp. z o.o. with its registered office in Krakow – excluded from consolidation as of 1 January 2015 due to the loss of significant influence.

\*\*\*\*\*) TYTANID Sp. z o.o. with its registered office in Zamienie.

### 14.2. Transactions with consolidated associates.

Data as of 30 September 2022 and for the period 01/01/2022 to 30/09/2022

	Receivables	Liabilities	Sales revenue	Purchases and costs
CLOUDTEAM Sp. z o.o.	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Data as at 30 September 2021 and for the period 1/01/2021 – 30/09/2021

	Receivables	Liabilities	Sales revenue	Purchases and costs
CLOUDTEAM Sp. z o. o.	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### IV. Statement of the Management Board concerning the accuracy of the Interim Condensed Financial Statement



The Interim Condensed Financial Statements of ACTION S.A. for the quarter ending 30 September 2022 comprise: the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the cash flow statement and selected notes.

Pursuant to the requirements of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent (Journal of Laws of 2018, item 757, as amended), the Management Board of ACTION S.A. hereby represents that:

- to the best of their knowledge, the quarterly condensed financial statement and comparative data have been prepared in compliance with accounting policies in force and that they give a true and fair view of the Company's state of affairs, property, financial position and financial result.

During the period covered by the financial statement, the Company maintained its accounting books in accordance with International Financial Reporting Standards ("IFRS") approved by the EU, issued and in force on the balance-sheet date, and in matters not regulated by the above standards, in compliance with the Polish Accounting Act of 29 September 1994.

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Piotr Bieliński  
President of the Management  
Board

Sławomir Harazin  
Vice-President of the Management  
Board

Zamienie, 29 November 2022.

## V. Interim condensed financial statements of ACTION S.A. for the period from 1 January 2022 to 30 September 2022

### Selected financial data of ACTION S.A.

SELECTED SEPARATE FINANCIAL DATA	in thousand PLN		in thousand EUR	
	3 quarters	3 quarters	3 quarters	3 quarters
	period from 01/01/2022 to 30/09/2022	period from 01/01/2021 to 30/09/2021*	period from 01/01/2022 to 30/09/2022	period from 01/01/2021 to 30/09/2021*)
I. Net revenue from sale of products, goods and materials	1,692,379	1,600,727	361,002	351,152
II. Gross profit / loss on sales	146,795	137,516	31,313	30,167
III. Profit / loss on operating activities	34,007	83,426	7,254	18,301
IV. Net profit / loss attributable to the Company's shareholders	31,144	72,665	6,643	15,941
V. Net cash flows from operating activities	1,551	-63,939	331	-14,026
VI. Net cash flows from investment activities	-2,574	81	-549	18
VIII. Net cash flows from financing activities	-512	-253	-109	-56
VIII. Net increases (decreases) in cash	-1,535	-64,111	-327	-14,064
IX. Profit/loss per ordinary share**) (in PLN/EUR)	1.55	3.63	0.33	0.80
	<b>As at 30/09/2022</b>	<b>As at 31/12/2021</b>	<b>As at 30/09/2022</b>	<b>As at 31/12/2021</b>
X. Total assets	651,803	635,024	133,846	138,067
XI. Liabilities	219,305	233,670	45,034	50,804
XII. Long-term liabilities	85,248	89,319	17,505	19,420
XIII. Short-term liabilities	134,057	144,351	27,528	31,385
XIV. Equity attributable to the Company's shareholders	432,498	401,354	88,812	87,262
XV. Share capital	2,004	2,004	412	436
XVI. Weighted average number of shares *** (in units)	20,037,000	20,037,000	20,037,000	20,037,000
XVII. Book value per share **** (in PLN/EUR)	21.58	20.03	4.43	4.36

\*) Data restated

\*\*) Profit per ordinary share was calculated as the quotient of net Profit and the Number of shares.

\*\*\*) The number of shares takes into account the change in the nominal value of series A shares from PLN 1 to PLN 0.10 at the same time dividing 1 share of PLN 1 into 10 shares with the nominal value of PLN 0.10. The change was made on 11 April 2006 by virtue of a resolution of the Extraordinary General Meeting of Shareholders.

\*\*\*\*) The book value per share was calculated as the quotient of equity and the number of shares.

\*\*\*\*\*) The minimum and maximum exchange rates in the period were calculated using the exchange rates announced by the NBP, in force on the last day of each month.

#### PLN to EUR exchange rates

Period	Average exchange rate in the period	Minimum exchange rate in the period *****)	Maximum exchange rate in the period *****)	Exchange rate as of the last day of the period
01/01/2022 – 30/09/2022	4.6880	4.5756	4.8698	4.8698
01/01/2021 – 31/12/2021	4.5775	4.4805	4.6834	4.5994
01/01/2021 – 30/09/2021	4.5585	4.4805	4.6603	4.6329

The selected financial data presented in the financial statements were converted into EUR in the following manner:

- items concerning the statement of comprehensive income and the cash flow statement were translated at the exchange rate being the arithmetic mean of the average minimum and maximum exchange rates published by the National Bank of Poland, in force on the last day of each month, the exchange rate for Q3 2022 stood at EUR 1 = PLN 4.6880, for Q3 2021 – EUR 1 = PLN 4.5585;
- items of the statement of financial position were translated at the average exchange rate published by the National Bank of Poland as of the balance-sheet date; as of 30 September 2022, this exchange rate stood at: EUR 1 = PLN 4,8698, as of 31 December 2021: EUR 1 = PLN 4,5994 and as of 30 September 2021: EUR 1 = PLN 4,6329.

## Statement of comprehensive income

All revenue and costs relate to continued activities.

	3 quarters, cumulative period from 01/01/2022 to 30/09/2022	Q3 period from 01/07/2022 to 30/09/2022	3 quarters, cumulative period from 01/01/2021 to 30/09/2021	Q3 period from 01/07/2021 to 30/09/2021
Sales revenue	1,692,379	577,104	1,600,727	541,758
Costs of products, goods and materials sold	-1,545,584	-527,486	-1,463,211	-494,277
<b>Gross profit on sales</b>	<b>146,795</b>	<b>49,618</b>	<b>137,516</b>	<b>47,481</b>
Selling and marketing costs	-86,154	-29,213	-65,730	-24,211
General management costs	-27,838	-10,325	-27,408	-9,818
Other operational revenue	3,147	699	40,221	85
Other costs and losses	-1,943	-327	-1,173	-376
<b>Profit / loss on operating activities</b>	<b>34,007</b>	<b>10,452</b>	<b>83,426</b>	<b>13,161</b>
Financial revenue	5,636	4,276	58	10
Financial costs	-2,099	-534	-2,393	-567
<b>Profit / loss before tax</b>	<b>37,544</b>	<b>14,194</b>	<b>81,091</b>	<b>12,604</b>
Income tax	-6,400	-2,082	-8,426	-2,691
<b>Net profit / loss on continuing operations</b>	<b>31,144</b>	<b>12,112</b>	<b>72,665</b>	<b>9,913</b>
<b>Net profit / loss on discontinued operations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net profit/loss for the financial period</b>	<b>31,144</b>	<b>12,112</b>	<b>72,665</b>	<b>9,913</b>
<b>Other components of comprehensive income</b>				
Measurement of cash flow hedges	0	0	0	0
Income tax	0	0	0	0
<b>Other components of net comprehensive income that may be reclassified to profit or loss</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total income for the period</b>	<b>31,144</b>	<b>12,112</b>	<b>72,665</b>	<b>9,913</b>
<b>Profit / loss per share</b>				
Basic profit / loss on continuing operations	1.55	0.60	3.63	0.58
Basic profit / loss on discontinued operations	0.00	0.00	0.00	0.00
<b>Diluted profit / loss per share</b>				
Diluted profit / loss on continuing operations	1.55	0.60	3.63	0.58
Diluted profit / loss on discontinued operations	0.00	0.00	0.00	0.00
<b>Weighted average number of shares</b>	<b>20,037 000</b>	<b>20,037 000</b>	<b>20,037 000</b>	<b>20,037 000</b>
<b>Diluted number of shares</b>	<b>20,037 000</b>	<b>20,037 000</b>	<b>20,037 000</b>	<b>20,037 000</b>

Piotr Bieliński  
President of the Management Board

Sławomir Harazin  
Vice-President of the Management Board

Zamienie, 29 November 2022.

## Statement of financial position

	30/09/2022	31/12/2021	30/09/2021
<b>ASSETS</b>			
Tangible fixed assets	138,122	139,092	137,673
Goodwill	0	0	0
Other intangible assets	5,552	5,833	5,505
Investment real properties	3,592	3,585	3,545
Financial assets	128	128	0
Other financial assets	0	0	0
Deferred income tax assets	0	2,384	1,619
Trade and other receivables	0	0	0
<b>Fixed assets</b>	<b>147,394</b>	<b>151,022</b>	<b>148,342</b>
Inventories	274,601	250,011	227,885
Trade and other receivables	178,982	181,689	180,475
Current income tax receivables	0	0	0
Financial derivatives	0	441	0
Other financial assets	500	0	0
Cash and cash equivalents	50,326	51,861	39,711
<b>Current assets</b>	<b>504,409</b>	<b>484,002</b>	<b>448,071</b>
<b>Total assets</b>	<b>651,803</b>	<b>635,024</b>	<b>596,413</b>
<b>EQUITY</b>			
Share capital	2,004	2,004	2,004
Surplus resulting from the sale of shares above their nominal value	77,207	77,207	77,207
Retained profit	353,287	322,143	293,834
Other reserve capitals	0	0	0
<b>Total equity</b>	<b>432,498</b>	<b>401,354</b>	<b>373,045</b>
<b>LIABILITIES</b>			
Loans, borrowings and other liabilities on account of financing	0	0	0
Lease liabilities	1,831	1,070	665
Trade and other liabilities	82,383	88,249	91,553
Deferred income tax provisions	1,034	0	0
<b>Long-term liabilities</b>	<b>85,248</b>	<b>89,319</b>	<b>92,218</b>
Trade and other liabilities	130,995	140,125	129,023
Loans, borrowings and other liabilities on account of financing	0	0	0
Lease liabilities	808	478	370
Current income tax liabilities	193	1,871	0
Provisions for employee benefits	2,061	1,877	1,757
Provisions for other liabilities and charges	0	0	0
Financial derivatives	0	0	0
<b>Short-term liabilities</b>	<b>134,057</b>	<b>144,351</b>	<b>131,150</b>
<b>Total liabilities</b>	<b>219,305</b>	<b>233,670</b>	<b>223,368</b>
<b>Total equity and liabilities</b>	<b>651,803</b>	<b>635,024</b>	<b>596,413</b>

Piotr Bieliński  
 President of the Management  
 Board

Sławomir Harazin  
 Vice-President of the Management  
 Board

Zamienie, 29 November 2022.

## Statement of changes in equity

### Equity attributable to the Company's shareholders

	Share capital	Surplus resulting from the sale of shares above their nominal value	Retained profit	Other reserve capitals	Total equity
<b>As at 1 January 2022</b>	<b>2,004</b>	<b>77,207</b>	<b>322,143</b>	<b>0</b>	<b>401,354</b>
Changes in equity:	0	0	31,144	0	31,144
Issue of shares	0	0			0
Total comprehensive income			31,144		31,144
Dividends declared					0
Other					0
<b>As at 30 September 2022</b>	<b>2,004</b>	<b>77,207</b>	<b>353,287</b>	<b>0</b>	<b>432,498</b>
<b>As at 1 January 2021</b>	<b>2,004</b>	<b>77,272</b>	<b>221,161</b>	<b>0</b>	<b>300,437</b>
Changes in equity:	0	-65	100,982	0	100,917
Issue of shares	0	0			0
Total comprehensive income	0	0	100,982		100,982
Dividends declared					0
Other		-65			-65
<b>As at 31 December 2021</b>	<b>2,004</b>	<b>77,207</b>	<b>322,143</b>	<b>0</b>	<b>401,354</b>
<b>As at 1 January 2021</b>	<b>2,004</b>	<b>77,272</b>	<b>221,161</b>	<b>0</b>	<b>300,437</b>
Changes in equity:	0	-65	72,673	0	72,608
Issue of shares	0	-65			-65
Total comprehensive income			72,665		72,665
Dividends declared					0
Other			8		8
<b>As at 30 September 2021</b>	<b>2,004</b>	<b>77,207</b>	<b>293,834</b>	<b>0</b>	<b>373,045</b>

Piotr Bieliński  
 President of the Management Board

Sławomir Harazin  
 Vice-President of the Management Board

Zamienie, 29 November 2022.

## Cash Flow Statement

	period from 01/01/2022 to 30/09/2022	period from 01/01/2021 to 30/09/2021
<b>Cash flows from operating activities</b>		
<b>Gross profit / loss for the financial period</b>	<b>37,544</b>	<b>81,091</b>
<b>Adjustments:</b>	<b>-31,321</b>	<b>-140,426</b>
Income tax	0	0
Depreciation/amortisation of fixed and intangible assets	6,263	6,047
Profit (loss) on investment activities	441	-2,250
Interest revenue	-1,600	-58
Interest expenses	50	25
Other	-96	479
Changes in working capital:		
Inventories	-24,590	-36,958
Trade and other receivables	3,207	-5,315
Trade and other liabilities	-14,996	-102,396
Income tax paid	-4,672	-4,604
<b>Net cash flows from operating activities</b>	<b>1,551</b>	<b>-63,939</b>
<b>Cash flows from investment activities</b>		
Acquisition of property, plant and equipment and intangible assets	-2,750	-2,905
Acquisition of investment real properties	0	0
Inflows from sale of property, plant and equipment and of intangible assets	0	0
Other investment inflows / outflows	176	2,986
<b>Net cash flows from investment activities</b>	<b>-2,574</b>	<b>81</b>
<b>Cash flows from financial activities</b>		
Inflows from the issue of shares	0	0
Loans and borrowings received	0	0
Repayment of loans and borrowings	0	0
Dividends paid	0	0
Interest paid	-50	-25
Payments of liabilities under financial lease agreements	-462	-228
Other financial inflows/outflows	0	0
<b>Net cash flows from financing activities</b>	<b>-512</b>	<b>-253</b>
<b>Net increase / decrease in cash</b>	<b>-1,535</b>	<b>-64,111</b>
Opening balance of cash	51,861	103,822
Foreign exchange profits (losses) on measurement of cash	0	0
<b>Closing balance of cash</b>	<b>50,326</b>	<b>39,711</b>

Piotr Bieliński  
 President of the Management  
 Board

Sławomir Harazin  
 Vice-President of the Management  
 Board

Zamienie, 29 November 2022.

## Notes

### 2. Material estimates

Deferred income tax assets and provisions recognised in the statement of financial position were disclosed after being offset. Set-off was performed due to the homogeneity of these components and the method of their settlement.

Value of deferred income tax subject to offsetting:

	<b>30/09/2022</b>	<b>31/12/2021</b>
Deferred income tax assets:		
–deferred income tax assets falling due within 12 months	6,904	8,289
	<b>6,904</b>	<b>8,289</b>
Deferred income tax provisions:		
–deferred income tax provisions falling due within 12 months	7,938	5,905
	<b>7,938</b>	<b>5,905</b>
<b>Deferred income tax assets</b>	<b>6,904</b>	<b>8,289</b>
<b>Deferred income tax provisions</b>	<b>7,938</b>	<b>5,905</b>
<b>Deferred income tax assets/provisions (on balance)</b>	<b>-1,034</b>	<b>2,384</b>

Changes in the deferred income tax (after the set-off of the assets and provisions) are as follows:

	<b>30/09/2022</b>	<b>31/12/2021</b>
Opening balance	<b>2,384</b>	<b>10,045</b>
Credit to / charge on the financial result	-3,418	-7,661
Increase / decrease in equity	0	0
<b>Closing balance</b>	<b>-1,034</b>	<b>2,384</b>

### 3. Write-downs on assets

#### 2.1 Write-downs on long-term financial assets

	<b>30/09/2022</b>	<b>31/12/2021</b>	<b>30/09/2021</b>
<b>Opening write-down on long-term financial assets</b>	<b>-13,847</b>	<b>-14,166</b>	<b>-14,166</b>
Created	0	0	0
Used	10,950	319	0
Released	0	0	0
<b>Closing write-down on long-term financial assets</b>	<b>-2,897</b>	<b>-13,847</b>	<b>-14,166</b>

## 2.2 Impairment losses on short-term financial assets

	30/09/2022	31/12/2021	30/09/2021
<b>Opening write-down on short-term financial assets</b>	<b>-3,102</b>	<b>-3,122</b>	<b>-3,122</b>
Created	0	0	0
Used	0	0	0
Released	0	20	0
<b>Write-down on short-term financial assets at the end of the period</b>	<b>-3,102</b>	<b>-3,102</b>	<b>-3,122</b>

## 2.3 Write-downs on inventories

	30/09/2022	31/12/2021	30/09/2021
<b>Opening write-down on inventories</b>	<b>-7,767</b>	<b>-6,493</b>	<b>-6,493</b>
Created (Costs of products, goods and materials sold)	-3,550	-3,880	-2,237
Used	3,880	0	0
Released (Costs of products, goods and materials sold)	0	2,606	2,242
<b>Closing write-down on inventories</b>	<b>-7,437</b>	<b>-7,767</b>	<b>-6,488</b>

## 2.4 Write-downs on trade and other receivables

	30/09/2022	31/12/2021	30/09/2021
<b>Opening write-down on receivables</b>	<b>-22,420</b>	<b>-25,210</b>	<b>-25,210</b>
Created	-307	-1,613	-1,501
Used	14,768	1,426	569
Released	1,535	2,977	2,896
<b>Closing write-down on receivables</b>	<b>-6,424</b>	<b>-22,420</b>	<b>-23,246</b>

## 4. Contingent assets and liabilities

As of 30 September 2022, the Company held contingent receivables due to the repayment of receivables in the amount of PLN 1,766 thousand. Security liabilities resulting from agreements signed as at the reporting



date and not reflected in the Interim Consolidated Financial Statements of the Company amounted to PLN 8,904 M as at 30 September 2022 and to PLN 10 871 M as at 31 December 2021.

	30/09/2022	31/12/2021	30/09/2021
<b>1. Contingent receivables</b>	<b>1,766</b>	<b>7,407</b>	<b>8,246</b>
1.1. From related entities (due to)	0	0	0
– guarantees and sureties received	0	0	0
1.2. From other entities (due to)	1,766	7,407	8,246
– guarantees and sureties received	1,766	7,407	8,246
<b>2. Contingent liabilities</b>	<b>8,904</b>	<b>10,871</b>	<b>11,572</b>
1.1. To related entities (due to)	0	0	0
– guarantees and sureties granted	0	0	0
1.2. To other entities (due to)	8,904	10,871	11,572
– guarantees and sureties granted	8,904	10,871	11,572
– letters of credit	0	0	0
<b>3. Other (due to)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total off-balance sheet items</b>	<b>10,670</b>	<b>18,278</b>	<b>19,818</b>

### Guarantees and sureties granted

As at 30 September 2022, the value of guarantees and sureties granted amounted to PLN 8,904 thousand, of which:

#### to other entities

Bank guarantees for the total amount of (USD 257 thousand) PLN 1,252 thousand,  
Bank guarantees for the total amount of (USD 13 thousand) PLN 62 thousand,  
Bank guarantees for the total amount of PLN 7,590 thousand.

## 5. Business combinations

On 12 August 2022, the District Court for the Capital City of Warsaw in Warsaw, 14<sup>th</sup> Division of the National Court Register, registered in the National Court Register the merger of ACTION S.A. (as the acquirer) with ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością with its registered office in Kraków (KRS: 0000438104) (as the acquired company).

The merger was carried out pursuant to Article 492(1)(1) of the Polish Commercial Companies Code (merger by acquisition) by transferring all assets of the acquired company to the Issuer. Due to the fact that the Acquiring Company held directly 100% of shares in the share capital of the Acquired Company, the merger of the Companies was carried out without an increase in the share capital of the Acquiring Company (Articles 515(1) and 514 of the Polish Commercial Companies Code).

Pursuant to Article 494(1) of the Polish Commercial Companies Code, on 12/08/2022 (the merger date), ACTION S.A. assumed all rights and obligations of ACTIVEBRAND Sp. z o.o.

In the case of mergers of entities under the joint control, the Group does not apply regulations resulting from IFRS 3, in connection with the exclusion of the application of these IFRS for this type of transactions, but settles such transactions using a method similar to the uniting-of-interests method in the following way:

- a) assets and liabilities of the acquired entity are recognised at the carrying value. The carrying value is deemed to be rather the value which was originally determined by the controlling entity than values resulting from the acquired entity's separate financial statement.
- b) intangible assets and contingent liabilities are recognised under the rules applied by the entity before the merger, pursuant to relevant IFRS,

- c) the company's goodwill does not arise – the difference between the payment transferred and the controlled entity's net assets purchased is recognised directly in the capital, under the item: returned profits,
- d) non-controlling interests are measured in the proportion corresponding to the carrying value of the controlled entity's net assets,
- e) comparative data are transformed as if the merger took place at the beginning of the comparative period. If the date on which a relationship of subordination arises is subsequent to the beginning of the comparative period, comparative data are presented as of the moment when the relationship of subordination occurred for the first time.

Therefore, the Company adjusted comparative data for 2021 retrospectively as if the merger took place at the beginning of the previous reporting period. In connection with the requirements of IAS 1 Article 40b in conjunction with Article 40a, the Company presented its third report on operations at the beginning of the previous period.

The difference between the value of shares of the company covered by the merger and the value of capitals was recognised in the Company's supplementary capital.

### Restatement of the statement of financial position

	30/09/2021		30/09/2021
	Data before the merger	Change	Data after the merger
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible fixed assets	137,673	0	137,673
Goodwill	0	0	0
Other intangible assets	5,503	2	5,505
Investment real properties	3,545	0	3,545
Financial assets	128	-128	0
Other financial assets	0	0	0
Deferred income tax assets	1,619	0	1,619
Trade and other receivables	0	0	0
	<b>148,468</b>	<b>-126</b>	<b>148,342</b>
<b>Current assets</b>			
Inventories	227,867	18	227,885
Trade and other receivables	180,472	3	180,475
Current income tax receivables	0	0	0
Financial derivatives	0	0	0
Other financial assets	0	0	0
Cash and cash equivalents	39,677	34	39,711
	<b>448,016</b>	<b>55</b>	<b>448,071</b>
<b>Total assets</b>	<b>596,484</b>	<b>-71</b>	<b>596,413</b>
<b>EQUITY</b>			
Share capital	2,004	0	2,004
Surplus resulting from the sale of shares above their nominal value	77,207	0	77,207
Other reserve capitals	293,942	-108	293,834
Retained profit	0	0	0
Other components of equity	<b>373,153</b>	<b>-108</b>	<b>373,045</b>

**Consolidated quarterly report of the CAPITAL GROUP ACTION S.A. for Q3 2022**  
*(all amounts are provided in thousands of PLN, unless specified otherwise)*

<b>Total equity</b>	2,004	0	2,004
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Loans, borrowings and other financial liabilities	0	0	0
Lease liabilities	665	0	665
Trade and other liabilities	91,553	0	91,553
Deferred income tax provision	0	0	0
	<b>92,218</b>	<b>0</b>	<b>92,218</b>
<b>Short-term liabilities</b>			
Trade and other liabilities	128,986	37	129,023
Loans, borrowings and other liabilities on account of financing	0	0	0
Lease liabilities	370	0	370
Current income tax liabilities	0	0	0
Employee benefit liabilities	1,757	0	1,757
Financial derivatives	0	0	0
Provisions for other liabilities and charges	0	0	0
	<b>131,113</b>	<b>37</b>	<b>131,150</b>
<b>Total liabilities</b>	<b>223,331</b>	<b>37</b>	<b>223,368</b>
<b>Total equity and liabilities</b>	<b>596,484</b>	<b>-71</b>	<b>596,413</b>

**Restatement of the statement of comprehensive income**

	Period from 01/01/2021 to 30/09/2021 Data before the merger	<i>Change</i>	Period from 01/01/2021 to 30/09/2021 after the merger
Sales revenue	1,600,377	350	1,600,727
Costs of products, goods and materials sold	-1,463,473	262	-1,463,211
<b>Gross profit / loss on sales</b>	<b>136,904</b>	<b>612</b>	<b>137,516</b>
Selling and marketing costs	-65,384	-346	-65,730
General management costs	-26,764	-644	-27,408
Other revenue and profits	39,959	262	40,221
Other costs and losses	-1,173	0	-1,173
<b>Operating profit/(loss)</b>	<b>83,542</b>	<b>-116</b>	<b>83,426</b>
Financial revenue	58	0	58
Financial costs	-2,393	0	-2,393
<b>Profit/(loss) before tax</b>	<b>81,207</b>	<b>-116</b>	<b>81,091</b>
Income tax	-8,426	0	-8,426
<b>Net profit (loss) for the financial year</b>	<b>72,781</b>	<b>-116</b>	<b>72,665</b>

**Other components of comprehensive income**

Consolidated quarterly report of the CAPITAL GROUP ACTION S.A. for Q3 2022  
(all amounts are provided in thousands of PLN, unless specified otherwise)

Net change due to cash flow hedges	0	0	0
Income tax	0	0	0
<b>Other components of net comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total income for the period</b>	<b>72,781</b>	<b>-116</b>	<b>72,665</b>
<b>Profit/(loss) attributable to the Company's shareholders per ordinary share during the period</b> (expressed in PLN per share)			
– basic	3.63	-0.01	3.63
– diluted	3.63	-0.01	3.63
<b>Number of shares</b>	<b>20,037,000</b>		<b>20,037,000</b>
<b>Diluted number of shares</b>	<b>20,037,000</b>		<b>20,037,000</b>

This interim condensed consolidated financial statement was approved by the Management Board of ACTION S.A. on 29 November 2022.

Signatures of all Management Board Members

**Piotr Bieliński**  
**President of the Management Board**

**Sławomir Harazin**  
**Vice-President of the Management Board**

Zamienie, 29 November 2022