




CONSOLIDATED  
QUARTERLY STATEMENTS  
FOR Q3 2023  
ACTION S.A.

29 NOVEMBER 2023

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

These Interim Condensed Consolidated Financial Statements 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 (Journal of Laws of 2021, item 217).

These interim condensed consolidated financial statements of the ACTION S.A. Group for the period ended on 30 September 2023 includes: the consolidated statement of countable 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 statements and the comparative data have been prepared 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 development, achievements and position, including the description of basic risks and threats.

During the period covered by the Consolidated Financial Statements, the companies in 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 the regulations issued on its basis. The Consolidated Financial Statements comprise 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  
President of the Management  
Board

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Sławomir Harazin  
Vice-President of the Management  
Board

Zamienie, 29 November 2023

## II. The interim condensed consolidated financial statements drawn up in accordance with the International Financial Reporting Standards for the period from 1 January 2023 to 30 September 2023

### Selected consolidated financial data

SELECTED CONSOLIDATED FINANCIAL DATA	in PLN k		in EUR k	
	3 quarters	3 quarters	3 quarters	3 quarters
	period from 01.01.2023 to 30.09.2023	period from 01.01.2022 to 30.09.2022	period from 01.01.2023 to 30.09.2023	period from 01.01.2022 to 30.09.2022
I. Net revenues from sales of products, goods and materials	1,787,240	1,692,364	390,457	360,999
II. Gross profit/loss on sales	156,106	147,086	34,104	31,375
III. Operating profit/loss	27,403	33,299	5,987	7,103
IV. Net profit / loss attributable to the Company's shareholders	22,565	29,972	4,930	6,393
V. Net cash flow from operating activities	34,774	581	7,597	124
VI. Net cash flow from investment activities	-6,869	-2,074	-1,501	-442
VII. Net cash flow from financial activities	-33,089	-512	-7,229	-109
VIII. Net increases (decreases) in cash	-5,184	-2,005	-1,133	-428
IX. Profit / loss per ordinary share *) (in PLN/EUR)	1,20	1,50	0,26	0,32
	<b>As at 30.09.2023</b>	<b>As at 31.12.2022</b>	<b>As at 30.09.2023</b>	<b>As at 31.12.2022</b>
X. Total assets	688,383	648,017	148,499	138,173
XI. Liabilities	246,459	205,338	53,167	43,783
XII. Long-term liabilities	68,909	79,084	14,865	16,863
XIII. Short-term liabilities	177,550	126,254	38,301	26,920
XIV. Equity attributable to the Company's shareholders	441,570	443,101	95,256	94,480
XV. Share capital	1,874	2,004	404	427
XVI. Weighted average number of shares**) (quantity)	18,737,000	20,037,000	18,737,000	20,037,000
XVII. Book value per share ***) (in PLN/EUR)	23.57	22.11	5.08	4.72

#### 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 at the last day of the period
01.01.2023 – 30.09.2023	4.5773	4.4135	4.7170	4.6356
01.01.2022 – 31.12.2022	4.5775	4.4805	4.6834	4.5994
01.01.2022 – 30.09.2022	4.6880	4.5756	4.8698	4.8698

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

\*\*) The number of shares includes the change in the nominal value of series A shares from PLN 1 to PLN 0.10; at the same time, 1 share of PLN 1 is divided into 10 shares, each with the nominal value of PLN 0.10. The change was made on 11 April 2006 under 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 countable income and the cash flow statement were calculated at an exchange rate which is 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; this exchange rate was, for the 3 quarters of 2023 – EUR 1 = PLN 4.5773, for the 3 quarters of 2022 – EUR 1 = PLN 4.6880;
- items of the statement of financial position were calculated at the average exchange rate published by the National Bank of Poland as of the balance sheet date; as of 30 September 2023, this exchange rate was: EUR 1 = PLN 4.6356, as of 31 December 2022: EUR 1 = PLN 4.5994 and as of 30 September 2022: EUR 1 = PLN 4.8698.

## Condensed consolidated statement of countable income

All revenue and costs relate to continuing operations.

	Note	period from 01.01.2023 to 30.09.2023	period from 01.07.2023 to 30.09.2023	period from 01.01.2022 to 30.09.2022	period from 01.07.2022 to 30.09.2022
Sales revenue	(5.2)	1,787,240	640,967	1,692,364	577,101
Costs of products, goods and materials sold	(5.3)	-1,631,134	-586,445	-1,545,278	-527,390
<b>Gross profit/loss on sales</b>		<b>156,106</b>	<b>54,522</b>	<b>147,086</b>	<b>49,711</b>
Sales and marketing costs	(5.3, 5.4)	-95,291	-31,377	-86,299	-29,260
General administration costs	(5.3, 5.4)	-34,834	-13,511	-27,983	-10,350
Other operating revenue	(5.5)	2,332	609	2,438	723
Other expenses and losses	(5.6)	-910	-287	-1,943	-327
<b>Profit/loss on operating activities</b>		<b>27,403</b>	<b>9,956</b>	<b>33,299</b>	<b>10,497</b>
Financial revenue	(5.7)	3,357	1,297	4,924	4,261
Financial costs	(5.8)	-2,355	-905	-2,160	-561
Share in profits (losses) of affiliates and joint ventures settled with the equity method		-282	45	310	90
<b>Profit/loss before tax</b>		<b>28,123</b>	<b>10,393</b>	<b>36,373</b>	<b>14,287</b>
Income tax	(5.9)	-5,648	-2,332	-6,400	-2,082
Profit/loss on continuing operations		<b>22,475</b>	<b>8,061</b>	<b>29,973</b>	<b>12,205</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>22,475</b>	<b>8,061</b>	<b>29,973</b>	<b>12,205</b>
<b>Other components of comprehensive income</b>					
Other countable income that will be reclassified to profit or loss, before tax		2,178	-102	0	0
Other components – exchange rate differences on translation of a foreign entity		0	0	989	0
Other countable income that will not be reclassified to profit or loss, before tax		0	0	0	0
Total other countable income before tax		2,178	-102	989	0
Income tax connected with components of other countable income which will be reclassified to profit or loss		-414	19	0	0
<b>Other components of net comprehensive income that may be reclassified to profit or loss</b>		<b>1,764</b>	<b>-83</b>	<b>989</b>	<b>0</b>
<b>Countable income for the period</b>		<b>24,239</b>	<b>7,978</b>	<b>30,962</b>	<b>12,205</b>
<b>Net profit/loss attributable to:</b>					
<b>Company's shareholders</b>		<b>22,565</b>	<b>8,134</b>	<b>29,972</b>	<b>12,213</b>
non-controlling interests		-90	-73	1	-8
<b>Countable income attributable to:</b>					
<b>Company's shareholders</b>		<b>24,329</b>	<b>8,051</b>	<b>30,961</b>	<b>12,213</b>
non-controlling interests		<b>-90</b>	<b>-73</b>	<b>1</b>	<b>-8</b>

**Consolidated Quarterly Statements of the ACTION S.A. CAPITAL GROUP for Q3 2023**  
*(all amounts in PLN k, unless stated otherwise)*

Profit per share

**Profit/loss per share**

Basic profit/loss on continuing operations  
 Basic profit/loss on discontinued operations

<b>1,20</b>	<b>0.43</b>	<b>1,50</b>	<b>0.61</b>
0.00	0.00	0.00	0.00

**Diluted profit / loss per share**

Diluted profit / loss on continuing operations  
 Diluted profit / loss on discontinued operations

<b>1,20</b>	<b>0.43</b>	<b>1,50</b>	<b>0.61</b>
0.00	0.00	0.00	0.00

**Weighted average number of shares**

**Diluted number of shares**

<b>18,737,000</b>	<b>18,737,000</b>	<b>20,037,000</b>	<b>20,037,000</b>
<b>18,737,000</b>	<b>18,737,000</b>	<b>20,037,000</b>	<b>20,037,000</b>

Piotr Bieliński  
 President of the Management  
 Board

Stawomir Harazin  
 Vice-President of the Management  
 Board

Zamienie, 29 November 2023

## Condensed consolidated statement of financial position

	Note	30.09.2023	31.12.2022	30.09.2022
<b>ASSETS</b>				
<b>Fixed assets</b>				
Tangible fixed assets	(5.10)	134,458	138,238	138,122
Goodwill	(5.12)	3,113	698	0
Other intangible assets		6,540	5,628	5,532
Investment real estate	(5.11)	3,770	3,642	3,592
Shares in affiliates measured with the equity method		452	844	164
Deferred income tax assets	(5.9)	0	0	0
Trade and other receivables		3	0	0
<b>Total fixed assets</b>		<b>148,336</b>	<b>149,050</b>	<b>147,410</b>
<b>Current assets</b>				
Inventory	(5.13)	276,892	263,906	274,978
Trade and other receivables	(5.14)	203,487	178,284	179,077
Current income tax receivables		0	791	0
Derivative financial instruments		0	84	0
Other financial assets	(5.15)	8,950	0	0
Cash and cash equivalents		50,718	55,902	50,572
<b>Total current assets</b>		<b>540,047</b>	<b>498,967</b>	<b>504,627</b>
<b>Total assets</b>		<b>688,383</b>	<b>648,017</b>	<b>652,037</b>
<b>EQUITY</b>				
Share capital		1,874	2,004	2,004
Share premium		77,207	77,207	77,207
Treasury shares		-12,840	-7,982	0
Retained profit		373,565	371,872	353,632
Other reserves		1,764	0	0
<b>Equity attributable to the Company's shareholders</b>		<b>441,570</b>	<b>443,101</b>	<b>432,843</b>
<b>Non-controlling interests</b>		<b>354</b>	<b>-422</b>	<b>-1,096</b>
<b>Total equity</b>		<b>441,924</b>	<b>442,679</b>	<b>431,747</b>
<b>LIABILITIES</b>				
Loans, borrowings and other liabilities on account of financing	(5.16)	0	0	0
Long-term lease liabilities		1,261	1,789	1,831
Trade and other liabilities		63,826	73,208	82,383
Deferred income tax provisions	(5.9)	3,822	4,087	1,034
<b>Long-term liabilities</b>		<b>68,909</b>	<b>79,084</b>	<b>85,248</b>
Trade and other liabilities		171,453	123,305	130,980
Loans, borrowings and other liabilities on account of financing		1,000	1,000	1,000
Short-term lease liabilities	(5.16)	803	836	808
Current income tax liabilities		2,969	0	193
Provisions for employee benefits		1,325	1,113	2,061
Provisions for other liabilities and charges		0	0	0
Derivative financial instruments		0	0	0
<b>Short-term liabilities</b>		<b>177,550</b>	<b>126,254</b>	<b>135,042</b>
<b>Total liabilities</b>		<b>246,459</b>	<b>205,338</b>	<b>220,290</b>
<b>Total equity and liabilities</b>		<b>688,383</b>	<b>648,017</b>	<b>652,037</b>

Piotr Bieliński  
President of the Management  
Board

Sławomir Harazin  
Vice-President of the  
Management Board

Zamienie, 29 November 2023

## Condensed statement of changes in consolidated equity

### Statement of changes in consolidated equity 01.01.2023 – 30.09.2023

	Share capital	Share premium	Treasury shares	Retained profit	Other reserves	Equity attributable to the Parent Company's shareholders	Equity attributable to non-controlling interests	Total equity
<b>As at 1 January 2023</b>	<b>2,004</b>	<b>77,207</b>	<b>-7,982</b>	<b>371,872</b>	<b>0</b>	<b>443,101</b>	<b>-422</b>	<b>442,679</b>
<b>Changes in equity:</b>	<b>-130</b>	<b>0</b>	<b>-4,858</b>	<b>1,693</b>	<b>1,764</b>	<b>-1,531</b>	<b>776</b>	<b>-755</b>
Acquisition of own shares	0	0	-25,324	0	0	-25,324	0	-25,324
Profit (loss)	0	0	0	22,565	0	22,565	-90	22,475
Redemption of equity shares	-130	0	20,466	-20,336	0	0	0	0
Other countable income	0	0	0	0	1,764	1,764	0	1,764
Total countable income	-130	0	-4,858	2,229	1,764	-995	-90	-1,085
Other	0	0	0	-536	0	-536	866	330
<b>As at 30 September 2023</b>	<b>1,874</b>	<b>77,207</b>	<b>-12,840</b>	<b>373,565</b>	<b>1,764</b>	<b>441,570</b>	<b>354</b>	<b>441,924</b>

### Statement of changes in consolidated equity 01.01.2022 – 31.12.2022

	Share capital	Share premium	Treasury shares	Retained profit	Other reserves	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>0</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>-7,982</b>	<b>47,947</b>	<b>989</b>	<b>40,954</b>	<b>675</b>	<b>41,629</b>
Acquisition of own shares	0	0	-7,982	0	0	-7,982	0	-7,982
Profit (loss)	0	0	0	48,966	0	48,966	-23	48,943
Other countable income	0	0	0	0	989	989	0	989
Total countable income	0	0	0	48,966	989	49,955	-23	49,932
Other	0	0	0	-1,019	0	-1,019	698	-321
<b>As at 31 December 2022</b>	<b>2,004</b>	<b>77,207</b>	<b>-7,982</b>	<b>371,872</b>	<b>0</b>	<b>443,101</b>	<b>-422</b>	<b>442,679</b>



Statement of changes in consolidated equity 01.01.2022 – 30.09.2022

	Share capital	Share premium	Treasury shares	Retained profit	Other reserves	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>0</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>0</b>	<b>29,707</b>	<b>-132</b>	<b>30,696</b>	<b>1</b>	<b>30,697</b>
Acquisition of own shares	0	0	0	0	0	0	0	0
Profit (loss)	0	0	0	29,972	0	29,972	1	29,973
Other countable income	0	0	0	0	989	989	0	989
Total countable income	0	0	0	29,972	989	30,961	1	30,962
Other	0	0	0	-265	0	-265	0	-265
<b>As at 30 September 2022</b>	<b>2,004</b>	<b>77,207</b>	<b>0</b>	<b>353,632</b>	<b>0</b>	<b>432,843</b>	<b>-1,096</b>	<b>431,747</b>

Piotr Bieliński  
President of the Management Board

Sławomir Harazin  
Vice-President of the Management Board

Zamienie, 29 November 2023

## Condensed consolidated cash flow statement

	period from 01.01.2023 to 30.09.2023	period from 01.01.2022 to 30.09.2022
<b>Cash flow from operating activities</b>		
<b>Cash flow from activities</b>	<b>38,127</b>	<b>5,253</b>
<b>Gross profit/loss</b>	<b>28,123</b>	<b>36,373</b>
<b>Adjustments:</b>	<b>10,004</b>	<b>-31,120</b>
Income tax	0	0
Depreciation of fixed tangible and intangible assets	6,840	6,341
Profit (loss) on investment activities	-144	441
Interest revenue	-3,357	-1,564
Interest expenses	186	84
Share in the net result of the affiliate	-282	310
Other	-1,028	506
Inventory	-9,330	-24,965
Trade and other receivables	-23,889	2,728
Trade and other liabilities	41,008	-15,001
Income tax paid	-3,353	-4,672
<b>Net cash flow from operating activities</b>	<b>34,774</b>	<b>581</b>
<b>Cash flow from investment activities</b>		
Purchase of tangible fixed assets, intangible assets, investment real estates and other fixed assets	-5,105	-2,750
Income from sales of tangible fixed assets, intangible assets, investment real estates and other fixed assets	0	0
Other investment inflows/outflows	-1,764	676
<b>Net cash flow from investment activities</b>	<b>-6,869</b>	<b>-2,074</b>
<b>Cash flow from financing activities</b>		
Inflows from the issue of shares	0	0
Acquisition of own shares	-25,324	0
Acquisition of debt securities	-6,345	0
Loans and borrowings received	0	0
Repayment of loans and borrowings	-552	0
Dividends paid	0	0
Interest paid	-171	-50
Payments of liabilities under financial lease agreements	-697	-462
Other financial inflows/outflows	0	0
<b>Net cash flow from financial activities</b>	<b>-33,089</b>	<b>-512</b>
<b>Net decrease/increase in cash before effects of foreign exchange differences</b>	<b>-5,184</b>	<b>-2,005</b>
Effects of changes in foreign exchange rates concerning cash and cash equivalents	0	0
<b>Net increase/decrease in cash</b>	<b>-5,184</b>	<b>-2,005</b>
Cash balance at the beginning of the period	55,902	52,577
<b>Cash balance at the end of the period</b>	<b>50,718</b>	<b>50,572</b>

Piotr Bieliński  
President of the Management  
Board

Sławomir Harazin  
Vice-President of the Management  
Board

Zamienie, 29 November 2023

## Notes to the condensed interim consolidated financial statements

### 1. Overview

Business name:	ACTION Spółka Akcyjna
Legal form:	Joint stock company
Country of incorporation:	Poland
Registered office:	Zamienie
Address:	ul. Dawidowska 10, 05-500 Piaseczno
National Court Register (KRS):	KRS 0000214038
Telephone number:	(+48 22) 332 16 00
Fax number:	(+48 22) 332 16 10
Email:	<a href="mailto:action@action.pl">action@action.pl</a>
Website:	<a href="http://www.action.pl">www.action.pl</a>
REGON (Business ID):	011909816
NIP (Tax ID):	527-11-07-221
LEI code:	259400QBPJRPZ9M4M409

#### 1.1. Company's business

The objects of ACTION S.A. (Issuer/Company) and its subsidiaries are selling IT equipment, consumer electronics and home appliances through wholesalers, its own retail outlets and third-party shops. The Group sells its products primarily in Poland. 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. ACTION S.A. was registered with the Register of Entrepreneurs of the National Court Register at the KRS No. 0000214038 on 2 August 2004 by decision of the District Court in Warsaw, 19th Commercial Division of the National Court Register. The Company is currently registered in the 14th Commercial Division of the Register Court for the Capital City of Warsaw, Poland. Previously, the legal predecessor of the Issuer – ACTION spółka z ograniczoną odpowiedzialnością – was entered into the Register of Enterprises under KRS no. 0000066230 on the basis of the decision of the District Court for the Capital City of Warsaw, Commercial Division of the National Court Register, of 28 November 2001.

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

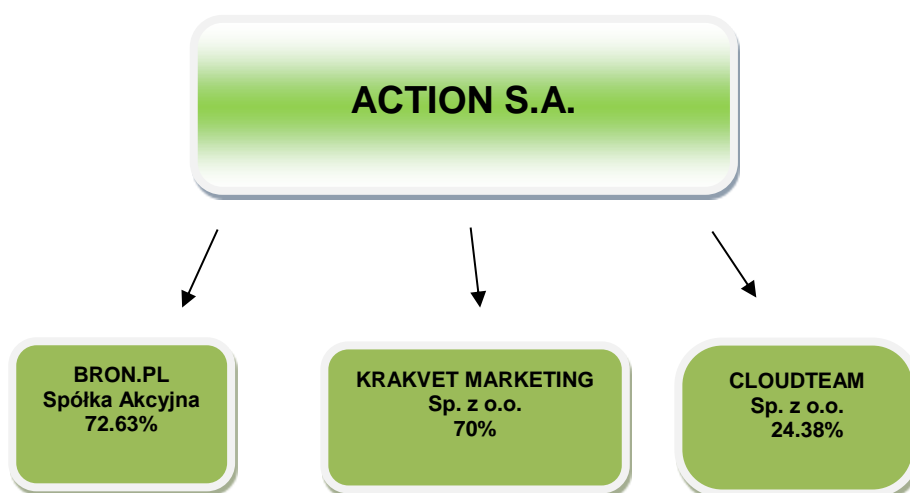
On 1 August 2016, the District Court for the Capital City of Warsaw, 10th Commercial Division for Bankruptcy and Reorganisation issued a decision on the opening of the remedial proceedings of ACTION Spółka Akcyjna based on the provisions of the Act of 15 May 2015 on Restructuring Law (Journal of Laws of 2015, item 978).

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

Pursuant to the decision of the District Court for the Capital City of Warsaw, 18th Division for Bankruptcy and Reorganisation (file no. XVIII GRs 1/19) of 7 August 2020, an arrangement in the Company's remedial proceedings was approved. The decision took effect as of 15 December 2020.

## 1.2.Group composition

### Structure of the ACTION S.A. Capital Group (as of 30 September 2023)



#### Composition of the Group:

##### Parent company:

ACTION S.A. with its registered office in Zamienie

##### Subsidiaries:

KRAKVET MARKETING Sp. z o.o. with its registered office in Zamienie – a subsidiary (70%)<sup>1)</sup>

BRON.PL Spółka Akcyjna with its registered office in Warsaw - subsidiary (72.63%)<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 established on 12 December 2011 and has been consolidated since that date. The change of name took place on 22 July 2022.

<sup>2)</sup> BRON.PL Spółka Akcyjna with its registered office in Warsaw, and has been consolidated since 20 June 2023.

KRAKVET MARKETING Sp. z o.o. (formerly SFERIS MARKETING Sp. z o.o.) provides advertising services and commercial activities in the trading of pet products.

BRON.PL Spółka Akcyjna is the operator of one of the largest Polish online and stationary shops in the field of weapons available without a permit, for survival and personal protection.

##### Affiliates:

CLOUDTEAM Sp. z o.o. with its registered office in Warsaw – affiliated company (24.38%)<sup>3)</sup>

<sup>3)</sup> CLOUDTEAM Sp. z o.o. with its registered office in Warsaw – company valued using the equity method since 1 October 2012.

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 18 September 2023, the Company concluded an agreement for the acquisition of 52,000 shares of BRON.PL Spółka Akcyjna, increasing its share in the company to 72.63%.

### **Third-party shares in subsidiaries**

1. KRAKVET MARKETING Sp. z o.o. (formerly SFERIS MARKETING Sp. z o.o.) – 30% of shares carrying rights to 30% of votes at the company's general meeting are held by Piotr Bieliński

## Consolidated entities as at 30 September 2023

Business name and legal form of the entity	Registered office	Business activities	Nature of relationship (subsidiary, joint subsidiary, associate, including details of direct and indirect relations)	Competent court or any other authority keeping the register	Consolidation method applied / valuation using the equity method or indication that the entity is not subject to consolidation / valuation using the equity method	Date of taking control / joint control / acquiring significant influence	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	wholesale trade in computer hardware, advertising services	subsidiary	District Court for the Capital City of Warsaw, 14th Commercial Division of the National Court Register	full	14 December 2011	70%	70%
CLOUDTEAM Sp. z o.o.	Warsaw	training and IT services, rental of computer hardware	affiliate	District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register	valuation using the equity method	12 September 2012	24.38%	24.38%
BRON.PL Spółka Akcyjna	Warsaw	retail and sale of military, outdoor and survival products	subsidiary	District Court for the Capital City of Warsaw, 12th Commercial Division of the National Court Register	full	20.06.2023	72.63%	72.63%

## **2. Information on the principles adopted for the preparation of the report**

The interim condensed consolidated financial statements of ACTION S.A.'s Capital Group for Q3 2023 were prepared in accordance with IAS 34, *Interim Financial Reporting*.

The Interim condensed consolidated financial statements prepared for the period from 1 January 2023 to 30 September 2023 contains comparative data for the period from 1 January 2022 to 30 September 2022.

The most important accounting principles applied to the preparation of this Interim Consolidated Financial Statements have been presented below. These principles have been applied consistently throughout the reporting periods, unless stated otherwise.

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

These interim condensed consolidated financial statements were prepared in accordance with the historical cost principle, except for financial assets held for trading (derivatives), which are measured at fair value.

The Interim Condensed Consolidated Financial Statements were prepared on the assumption that the Group will continue its business activity in the foreseeable future.

As at the date of approving these Interim Condensed Consolidated Financial Statements, there are no circumstances indicating any threats to the business continuity of the companies in the Group.

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read jointly with the consolidated financial statements of the Group prepared in accordance with the IFRS for the financial year finished on 31 December 2022, published on 24 April 2023.

### **2.2. Going concern**

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

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

These interim condensed consolidated financial statements for the period from 1 January 2023 to 30 September 2023 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*, applicable hereto. As of the date of approving this financial statements 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.Basic accounting principles**

The accounting principles (policies) applied in the preparation of these interim condensed consolidated financial statements for Q3 2023 are consistent with those applied in the preparation of the annual consolidated financial statements for 2022.

A detailed description of the other accounting principles adopted by the ACTION S.A. Capital Group is presented in the annual consolidated financial statements for 2022, published on 24 April 2023.

## **2.5.Base currency, transactions in foreign currencies and valuation of items denominated in foreign currencies**

### **Functional and base currency**

Polish zloty is the functional currency for the parent entity as well as the base currency for these Interim Condensed Consolidated Financial Statements.

These interim condensed consolidated financial statements are presented in Polish zloty (PLN), and unless indicated otherwise, all figures are stated in thousands of PLN.

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

The preparation of consolidated financial statements require that the Management Board makes estimates as certain data included in the financial statements cannot be valued 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 2023 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 recognised assets and liabilities in the next or subsequent financial years are presented below.

### **3.1.Service lives of tangible fixed assets and of intangible assets**

As of 30 September 2023, the Group's companies estimated the service lives of tangible fixed assets and of intangible assets. The analysis did not reveal the necessity to make any related adjustments.

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

As at 30 September 2023, the Group companies assessed whether there are 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 make it necessary 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 items that require a tax payment in the short term, provided that 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. notices 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 Director of the Tax Office in Olsztyn in the inspection proceedings regarding the reliability of the declared tax bases and the correctness of the calculation and payment of the value added tax for individual settlement periods from July 2011 to January 2012. The decision in question was upheld by a decision of the Director of the Tax Chamber in Warsaw dated



24 October 2016 (as reported by the Company in current report no. 56/2016 of 7 November 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 the judgement of 28 December 2017. As a result, the Company appealed against that decision to the Supreme Administrative Court. In the judgement 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 judgement of the Supreme Administrative Court is final and non-appealable. Disagreeing with the judgement, the Company filed an appeal with the European Court of Human Rights. The value of the subject matter of the dispute in the above case was PLN 29,115 k. This receivable is covered by arrangements by virtue of law and is subject to repayment under the terms of the legally approved scheme of arrangements in the remedial proceedings of the Issuer. To this extent, the said receivable was provisioned against the financial year 2016.

– On 4 January 2018, the Head of the Masovian 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 recognised because the Head of the Tax Administration Chamber in Warsaw upheld the contested decision under a decision of 20 April 2018. The Company filed an appeal against that decision with the Provincial Administrative Court in Warsaw. By a judgement of 12 March 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 April 2018. The Company, which disagreed with this decision, appealed against the ruling to the Supreme Administrative Court. By a judgement of 20 April 2022, the Supreme Administrative Court in Warsaw revoked the said decision of the Provincial Administrative Court in Warsaw in the part relating to the months from August to November 2010 (in the remaining part, relating to December 2010 it dismissed the appeal). Accordingly, the case was referred to the Provincial Administrative Court in Warsaw for re-examination. On 14 December 2022, the Provincial Administrative Court in Warsaw also revoked the above decision of the Tax Administration Chamber of 20 April 2018 in the part relating to the months from August to November 2010 and dismissed the appeal in the remaining part (relating to December 2010). As a result of the ruling, the case concerning the revocation of the decision was referred to the Tax Administration Chamber in Warsaw for re-examination. In the course of these proceedings, on 4 May 2023, the Director of the Tax Administration Chamber in Warsaw issued a decision upholding the aforementioned decision of the Head of the Masovian Tax and Customs Office in Warsaw of 4 January 2018 in the part concerning the determination of the VAT tax liability for August, September, October and November 2010. The company filed a complaint against this decision with the administrative court. By judgment of 9 November 2023, the Provincial Administrative Court in Warsaw, having regard to the Company's complaint, annulled the two aforementioned decisions of tax authorities and waived its proceedings. In connection with such settlement, the case was not referred to the Tax Administration Chamber in Warsaw for re-examination. The judgment may be appealed in cassation to the Supreme Administrative Court.

The value of the subject matter in this case was PLN 3,442 k. This receivable is covered by arrangements by virtue of law and is subject to repayment under the terms of the legally approved scheme of arrangements in the remedial proceedings of the Issuer. To this extent, the above receivable was provisioned against the financial year 2017.

In the Company's view, the aforementioned decisions in fact introduce a legally non-existent liability on the part of the Company for the tax obligations of third parties who did not pay VAT at earlier stages of the trade in goods. However, as the judgement issued in one of the aforementioned cases has become final and binding, the Company is obliged to implement it.

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 2023 amounts to PLN 8,210 k. 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 arrangement in the Company's remedial proceedings, and the arrangement-related instalments repaid to date.

The Company exercises and has always exercised due diligence in entering into transactions and caution in entering into cooperation. It has acted and continues to act in good faith in accordance with the Company's procedures and high standards of cooperation. Therefore, in the opinion of the Management Board of the Parent Company, the probability that the ongoing judicial appeal proceedings will have a negative final outcome remains low.

### **3.4.Employee benefits**

The current value of retirement 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. Due to the complexity of measurement, the adopted assumptions and 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 each time 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 discounts 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 with the suppliers and confirmed 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 payment by means of appropriate write-downs. Probability is estimated on the basis of the opinion of the Management Board about the enforceability of overdue receivables and an assessment of the risk of non-enforceability 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 in the arrangement defined in IFRS 8 *Operating Segments*.

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

- which engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance;
- for which discrete 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 these statements in a single operating segment because:

- sales revenue from these activities exceeds a total of 65% of the value generated by the Group;
- no separate financial information is prepared for individual sales channels, due to the industry-specific 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., which is the main body responsible for making operational decisions in the entity, due to the specific nature of distribution in individual sales channels, makes decisions on allocating resources under the achieved and projected results of the Capital Group as a whole, as well as the planned returns on allocated resources and an 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.

	For the period 01.01.2023 – 30.09.2023	For the period 01.01.2022 – 30.09.2022
Revenue from sales of products (services)	22,787	22,323
Revenue from sales of goods and materials	1,764,453	1,670,041
	<b>1,787,240</b>	<b>1,692,364</b>

### 5.3. Expenses by type

	For the period 01.01.2023 – 30.09.2023	For the period 01.01.2022 – 30.09.2022
Depreciation of fixed tangible and intangible assets	6,840	6,341
Costs of employee benefits	55,602	52,980
Consumption of materials and energy	9,745	10,241
Outsourcing	46,811	37,427
Taxes and charges	1,455	1,142
Advertising expenses	8,327	5,270
Property and personal insurance	904	636
Other expenses by type	441	245
Costs of products, goods and materials sold, including	1,631,134	1,545,278
– write-down of inventory	-1,978	-682
Total costs of products, goods and materials sold, sales and marketing expenses as well as general management costs	<b>1,761,259</b>	<b>1,659,560</b>

### 5.4. Costs of employee benefits

	For the period 01.01.2023 –	For the period 01.01.2022 – 30.09.2022
Payroll	46,165	44,156
Social security and other benefits	9,437	8,824
	<b>55,602</b>	<b>52,980</b>

## 5.5. Other operating revenue

	For the period 01.01.2023 –	For the period 01.01.2022 – 30.09.2022
Surplus of foreign exchange gains	0	0
Revenue from overdue liabilities	527	191
Revenue from compensations received	958	448
Revenue from provisions released	245	39,078
Other revenue	374	556
Gain on disposal of non-financial financial assets	228	0
Profit on disposal of non-financial fixed assets	0	1
	<b>2,332</b>	<b>40,274</b>

## 5.6. Other expenses and losses

	For the period 01.01.2023 – 30.09.2023	For the period 01.01.2022 – 30.09.2022
Surplus of foreign exchange losses	0	0
Costs of damages paid	795	469
Costs of measurement of financial instruments	0	0
Costs of write-downs on receivables	0	0
Costs of receivables written off	29	108
Costs of court proceedings	37	32
Costs of created provisions	0	186
Costs of donations given	10	338
Other costs	39	122
	<b>910</b>	<b>1,255</b>

## 5.7. Financial revenue

	For the period 01.01.2023 –	For the period 01.01.2022 – 30.09.2022
Interest on cash and cash equivalents (deposits)	2,445	40
Interest on cash and cash equivalents (bonds)	861	0
Interest on borrowings and receivables	51	0
Capital revenue	0	0
Revenue from measurement of financial instruments	0	0
	<b>3,357</b>	<b>40</b>

## 5.8. Financial costs

	For the period 01.01.2023 – 30.09.2023	For the period 01.01.2022 – 30.09.2022
Interest on loans and borrowings	186	25
Interest on leases	50	25
Costs of measurement of financial instruments	83	372
Interest and discount of factoring	0	0

Discount on liabilities covered by the arrangements	2,036	1,996
	<b>2,355</b>	<b>2,418</b>

## 5.9.Income tax

	For the period 01.01.2023 – 30.09.2023	For the period 01.01.2022 – 30.09.2022
Current tax	6,327	2,982
Deferred tax	-679	3,418
	<b>5 648</b>	<b>6,400</b>

### Deferred tax

Value of deferred income tax subject to offsetting:

	30.09.2023	31.12.2022
Deferred income tax assets:		
–deferred income tax assets falling due within 12 months	3,993	6,970
	<b>3,993</b>	<b>6,970</b>
Deferred income tax provisions:		
–deferred income tax provisions falling due within 12 months	7,815	11,057
	<b>7,815</b>	<b>11,057</b>
<b>Deferred income tax assets</b>	<b>3,993</b>	<b>6,970</b>
<b>Deferred income tax provisions</b>	<b>7,815</b>	<b>11,057</b>
<b>Deferred income tax assets / provisions (per balance)</b>	<b>-3,822</b>	<b>-4,087</b>

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

	30.09.2023	31.12.2022
<b>Opening balance</b>	<b>-4,087</b>	<b>2,384</b>
Credit of/charge on the financial result	679	-6,471
Increase/decrease in equity	-414	0
<b>Closing balance</b>	<b>-3,822</b>	<b>-4,087</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 2023 were related to the adaptation and modernisation of the building which is the registered office of ACTION S.A.

## 5.11. Investment real estate

Investment real properties include:

- acquired rights of perpetual usufruct of land,
- ownership titles to buildings with the initial value totalling PLN 3,585 k.

As of 30 September 2023, the carrying amount of real properties is PLN 3,770 k. Revenue from rental of real properties in the reporting period was PLN 202 k. 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 10,335 k.

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

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

## 5.12. Goodwill

	30.09.2023	31.12.2022	30.09.2022
<b>Carrying amount of goodwill</b>			
KRAKVET MARKETING Sp. z o.o.	698	698	0
BRON.PL Spółka Akcyjna	2,415	0	0
<b>Total carrying amount</b>	<b>3,113</b>	<b>698</b>	<b>0</b>

Goodwill established as a result of:

- taking control of KRAKVET MARKETING Sp. z o.o. in stages in connection with the acquisition of newly created shares for PLN 500,000;
- purchasing on 20 June 2023, 22 June 2023 and 18 September 2023 in total 72.63% of shares in BRON.PL Spółka Akcyjna.

## 5.13. Inventory

	30.09.2023	31.12.2022	30.09.2022
Materials	0	0	0
Goods	280,613	270,139	282,415
Advances on deliveries	0	0	0
	<b>280,613</b>	<b>270,139</b>	<b>282,415</b>
Write-downs on inventories	-3,721	-6,233	-7,437
<b>Inventory</b>	<b>276,892</b>	<b>263,906</b>	<b>274,978</b>

### Write-downs on inventories

	30.09.2023	31.12.2022	30.09.2022
<b>Write-down of inventories at the beginning of the period</b>	<b>-6,233</b>	<b>-7,767</b>	<b>-7,767</b>
Created (Costs of products, goods and materials sold)	-1,130	-2,792	-3,550

Utilised	0	0	0
Released (Costs of products, goods and materials sold)	3,642	4,326	3,880
<b>Write-down of inventories at the end of the period</b>	<b>-3,721</b>	<b>-6,233</b>	<b>-7,437</b>

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

	30.09.2023	31.12.2022	30.09.2022
<b>Write-downs on receivables at the beginning of the period</b>	<b>-6,736</b>	<b>-9,826</b>	<b>-9,826</b>
Created	-1,302	-2,041	-307
Utilised	94	2,963	3,533
Released	1,397	2,168	748
<b>Write-downs on receivables at the end of the period</b>	<b>-6,547</b>	<b>-6,736</b>	<b>-5,852</b>

#### 5.15. Other financial assets

	30.09.2023	31.12.2022	30.09.2022
Corporate bonds	8,950	0	0
<b>Other financial assets – derivatives</b>	<b>8,950</b>	<b>0</b>	<b>0</b>
Short-term	8,950	0	0

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

	30.09.2023	31.12.2022	30.09.2022
<b>Long-term</b>			
Investment loan	0	0	0
Lease liabilities	1,261	1,789	1,831
Borrowings	0	0	0
Bond liabilities	0	0	0
	<b>1,261</b>	<b>1,789</b>	<b>1,831</b>
<b>Short-term</b>			
Overdraft and investment loan	0	0	0
Lease liabilities	803	836	808
Borrowings	1,000	1,000	1,000
Bond liabilities	0	0	0
	<b>1,803</b>	<b>1,836</b>	<b>1,808</b>
<b>Total</b>	<b>3,064</b>	<b>3,625</b>	<b>3,639</b>

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

	30.09.2023	31.12.2022	30.09.2022
<b>Liabilities with maturity on the balance sheet day</b>			
Up to 1 year	1,803	1,836	1,808
1 to 5 years	1,261	1,789	1,831
Over 5 years	0	0	0
<b>Total</b>	<b>3,064</b>	<b>3,625</b>	<b>3,639</b>

## Lease liabilities

	30.09.2023	31.12.2022	30.09.2022
<b>Nominal value of minimum lease payments</b>			
Up to 1 year	1,029	920	888
1 to 5 years	1,615	1,968	2,014
Over 5 years	0	0	0
<b>Total financial lease liabilities – total minimum lease payments</b>	<b>2,644</b>	<b>2,888</b>	<b>2,902</b>
Financial costs due to financial lease	580	263	263
<b>Present value of minimum lease payments</b>			
Up to 1 year	803	836	808
1 to 5 years	1,261	1,789	1,831
Over 5 years	0	0	0
<b>Total current value of minimum lease payments</b>	<b>2,064</b>	<b>2,625</b>	<b>2,639</b>

## 6. Contingent assets and liabilities

As of 30 September 2023, the Group had contingent receivables due to the repayment of receivables of PLN 3,634 k. Hedging liabilities arising from contracts signed as at the reporting date and not reflected in the Group's interim condensed consolidated financial statements were as at 30 September 2023 PLN 13,571 k, and at 31 December 2022 PLN 5,651 k.

	30.09.2023	31.12.2022	30.09.2022
<b>1. Contingent receivables</b>	<b>3,634</b>	<b>2,213</b>	<b>1,766</b>
1.1. From other entities (due to)	3,634	2,213	1,766
– guarantees and sureties received	3,634	2,213	1,766
<b>2. Contingent liabilities</b>	<b>13,571</b>	<b>5,561</b>	<b>8,904</b>
1.1. To other entities (due to)	13,571	5,651	8,904
– guarantees and sureties granted	13,571	5,651	8,904



– 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>17,205</b>	<b>7,864</b>	<b>10,670</b>

## 7. Implementation of arrangements

Pursuant to a decision of the District Court for the City of Warsaw in Warsaw, 18th Division for Bankruptcy and Reorganisation (file no. XVIII GRs 1/19) of 7 August 2020, an arrangement was approved in the Company's remedial proceedings (hereinafter: "Arrangement"). This decision takes effect as of 15 December 2020. As of this date, pursuant to Article 324(1), Article 27(1) and Article 329(1) of the Restructuring Law Act, the remedial proceedings were completed, the Manager ceased to perform their function and the Issuer regained full right of independent management.

The Company published the arrangement proposals in the appendix to current report no. 37/2019 of 7 August 2019, which, once voted upon by the creditors and approved by the court, became the Arrangement.

Following the final approval of the Scheme of Arrangements, the Issuer commenced its implementation. The Issuer implements the Arrangement in accordance with its content.

In the period from the date when the Arrangement became effective, i.e. from 15 December 2020, until the balance sheet date, i.e. 30 September 2023, the Issuer made repayments in the total amount of PLN 85,385 k, EUR 2,066 k and USD 4,516 k in the form of cash payments. These amounts include one-off payments (Group II and III of the Arrangement) and eleven instalments paid to Group I creditors and the first part of the payment to Group IV creditors. As at the balance sheet date, i.e. 30 September 2023, a total amount of PLN 58,695 k, EUR 1,403 k and USD 4,623 k remained to be paid under the arrangement.

During the reporting period, the Company made repayment of the 12th instalment as part of the implementation of the arrangement.

## 8. Events after the balance sheet date

2 October 2023. The Management Board of ACTION S.A. (hereinafter also: "Issuer", "Company") announced that on 2 October 2023, decided to suspend the execution of the programme of acquisition of own shares carried out on the basis of the authorisation contained in Resolutions No. 3 and 5 of the Extraordinary General Meeting of ACTION S.A. of 26 October 2022 (taking into account their changes under Resolutions Nos. 3 and 4 of the Extraordinary General Meeting of ACTION S.A. of 14 April 2023 and changes under Resolutions Nos. 13, 17 and 18 of the Ordinary General Meeting of ACTION S.A. of 21 June 2023), until 26 October 2023, i.e. until the date of the Extraordinary General Meeting of the Company set for that date. Therefore, the Company will not purchase own shares in the period under consideration. The Issuer's Management Board explains that the subject of the aforementioned General Meeting will be the change of the existing limit on the number of own shares to be purchased by the Company (from 2,003,700 to 2,500,000 shares). In order to enable the General Meeting to take a decision on the aforementioned issue prior to the implementation of the programme under the existing rules, it is justified to suspend the programme until the date of the General Meeting's consideration of the issue of the amended conditions for the purchase of own shares.

On 3 October 2023 the Management Board of ACTION S.A. (hereinafter: "Company", "Issuer") informed that on 3 October 2023 it signed Annex No. 8 to the Multi-product Agreement No. 808/2022/00000962/00 concluded by the Issuer with ING Bank Śląski S.A. dated 28 March 2022 (hereinafter: the "Agreement"). Pursuant to Annex No. 8 dated 4 October 2023, the basic terms and conditions of the Agreement have been amended, in particular: 1) The credit limit amount has been increased to PLN 50,000,000.00 (fifty million zlotys 0/100) and the credit limit availability period has been prolonged until 3 October 2025. 2) The amount of the Sublimit has been increased to PLN 50,000,000.00 (fifty million Polish zlotys 0/100) available until 3 October 2025 to be used for the following Products: a) PLN operating loans up to the Maximum Debt Ceiling equal to the available Sublimit; b) EUR operating loans up to the Maximum Debt Ceiling: EUR 11,000,000.00

(in words: eleven million euro 00/100); c) USD operating loans up to the Maximum Debt Ceiling: USD 12,000,000.00, (in words: twelve million US dollars 0/100). 3) The amount of the Sublimit has been increased to PLN 50,000,000.00 (in words: fifty million zlotys 0/100) available until 3 October 2025 to be used for other services in the form of bank guarantees in: PLN, EUR, USD, granted by the Bank at the Client's request. 4) The amount of the Sublimit has been increased to PLN 50,000,000.00 (in words: fifty million zlotys 0/100) available until 3 October 2025 to be used for other services in the form of letters of credit in: PLN, EUR, USD, granted by the Bank at the Client's request. 5) The amount of the revolving credit facility was increased to PLN 55,000,000.00 (in words: fifty-five million zlotys 0/100), which serves to the repayment of the Customer's liabilities under the available Products, and the availability period of the operating loan was extended to 9 October 2026. II. Pursuant to Annex No. 8, the Parties have determined: 1) The final repayment date of the operating loans to be 3 October 2025, which is also the final due date. 2) The final date for bank guarantees to be 3 October 2026, with the provision that the commitment period may not exceed 12 months. 3) The final date for letters of credit to be 3 April 2026, with the provision that the commitment period may not exceed 6 months. III. In order to legally secure its liabilities towards the Bank, the Issuer has undertaken to: 1) establish a registered pledge on a separated part of the inventory with a value of 150% of the amount of the revolving credit (increase of the highest amount of security), 2) assign the rights from the insurance policy limited to the amount of PLN 82,500,000.00; 3) submit a statement of submission to execution pursuant to Article 777 § 1 item 5 of the Code of Civil Procedure concerning the obligation to pay a sum of money up to the amount of PLN 82,500,000.00 covering the extended period of availability.

On 4 October 2023, the Management Board of ACTION S.A. (Company, Issuer) informed that on 4 October 2023 it decided to proceed with the review of strategic options on potential acquisition activities consisting of investment and business cooperation in the activities of third parties to the Company, linked to gaining influence or control over the operation of such activities. The purpose of carrying out the activities described above is to further develop the Company's operations and business security. The aforementioned objectives and the scope of the review to be carried out will particularly focus on the development of the Issuer's operations as a multi-functional and multi-industry e-commerce platform. Actions will be taken to consistently expand the scope and range of goods and services offered and to further diversify the Company's offerings, suppliers and customers. The Company's interest is in projects that meet the above criteria and enable, through the cooperation of the parties, the achievement of the stated objectives. At the same time, the Issuer assumes that the acquisition activities will not constitute significant transactions from the point of view of their value. In an effort to reduce the risks associated with participation in new industries, the Issuer will strive to gradually achieve its objectives and rely on cooperation assuming full use of the potential and experience of the entities participating in such cooperation. Potential acquisitions implemented by the Issuer will be financed from the Company's own funds. The Management Board of the Company decided to publish the above information due to its impact on the development of the strategic directions of the Issuer and the ACTION S.A. Capital Group.

On 4 October 2023, the Management Board of ACTION S.A. (Company, Issuer) informed that on 4 October 2023 it decided on its intention to dispose of real estate not related to the core business of the Issuer. The above decision concerns the following properties owned by the Company: 1. The property located in Kraków at ul. Zakopiańska, forming the subject of the perpetual usufruct right and the ownership right to the building situated thereon, consisting of plots of land no: 191/5, 191/6 (Land and Mortgage Register No. KR1P/00331683/5), 190/9 (Land and Mortgage Register No. KR1P/00366251/2) and 190/8 (Land and Mortgage Register No. KR1P/00331682/8) with a total land area of 4,064 sq.m. The property in question was used in the past by the Kraków branch of the Issuer. The Company currently rents some of the premises located in the building situated on the property. Given the significant wear and tear of the aforementioned building and the fact that the Company has no other operations on the property in question, an analysis is warranted with regard to the Issuer's ability to dispose of it. 2. The property located in Zamienie, ul. Arakowa, being the subject of the right of perpetual usufruct, consisting of registered plots no: 23/7 and 23/9 (Land and Mortgage Register No. WA5M/00428871/4) with a total land area of 5,952 sq.m. The property in question arose from the subdivision of the original plot of land No. 23, which was largely occupied and expropriated for the construction of the S7 expressway and associated technical facilities. The property was not used by the Company in its activities. The current area and layout of the plots of land limits the Issuer's ability to make economic use of them. The Company therefore assumes that it can be disposed of. 3. Real property located in Rożnów, being the subject of the right of perpetual usufruct and ownership of the building situated thereon, designated as plot of land No. 444 (Land and Mortgage Register No. NS1S/0055248/3) with a surface area of 3,300 sq.m. The property was previously used for leisure and recreational purposes. It is not currently used by the Company and there are no plans to use it in the near future. The condition of the buildings and other characteristics of this property significantly restrict its use for the Company's business, which also

justifies consideration of its disposal. The decision of the Board of Management assumes the possibility of disposing of the aforementioned property if the Board of Management considers the terms of the transaction to be satisfactory and does not imply the necessity of making disposals in this respect. Furthermore, the Management Board emphasises that, in accordance with the Issuer's Articles of Association, the sale of the Company's real property requires the consent of the Supervisory Board. In the opinion of the Company's Management Board, based on consideration of the above information regarding the possibility and scope of use of the properties to be disposed of, the planned sale will not affect the Company's operating activities. The Issuer's Management Board also assumes that the funds obtained from the sale of the described properties will be available for further development of the Company and its Capital Group, including the Company's planned acquisition activities. The Company's Management Board decided to publish the above information due to the potential significant value of the property disposal transaction.

On 25 October 2023 with reference to current report no. 11/2022 of 9 June 2022, and 89/2023 of 3 October 2023, the Management Board of ACTION S.A. (Company, Issuer) announced that on 25 October 2023 it received a decision from the District Court for the capital city of Warsaw, in Warsaw, 11th Commercial Division of the Pledge Register, on amending the entry in the pledge register (reference WA.XI.NS-REJ.ZA 16042/23/530), kept by the District Court for the capital city of Warsaw, in Warsaw, 11th Commercial Division – Pledge Register. Pursuant to the aforementioned decision, the amount of the registered pledge, established in favour of ING Bank Śląski S.A. with its registered office in Katowice, was changed on 17 October 2023. According to the current entry, the highest amount of security for the Issuer's liabilities is PLN 82,500,000 (in words: eighty-two million five hundred thousand zlotys). The registered pledge was established in order to secure the repayment of the loan granted to the Issuer by the above-mentioned Bank on the basis of the Loan Agreement in the form of a revolving credit limit dated 28 March 2022. The subject of the pledge is the Issuer's inventory of commercial goods.

On 26 October 2023, the Management Board of ACTION S.A. (Company, Issuer) published the content of the resolutions passed by the Extraordinary General Meeting of Shareholders of ACTION S.A., which took place on 26 October 2023 at the premises of ACTION S.A. at ul. Dawidowska 10 in Zamienie, Piaseczyński county, mazowieckie province. The content of the resolutions adopted at the EGM of the company ACTION S.A. was published in the appendix to RB 94/2023.

On 26 October 2023 the Management Board of ACTION S.A. (hereinafter also: "Issuer", "Company") with reference to current reports no. 51/2022 of 26 October 2022, no. 35/2023, of 14 April 2023, and 57/2023 of 22 June 2023, announced that on the basis of Resolutions no. 3 and 4 of the Extraordinary General Meeting of ACTION S.A. of 26 October 2023 amending Resolutions no. 3 and 5 of the Extraordinary General Meeting of Shareholders of the Company under the name: ACTION S.A. dated 26 October 2022 on authorising the Company's Management Board to acquire the Company's own shares, as amended by Resolutions No. 3 and 4 of the Extraordinary General Meeting of Shareholders of Action S.A. dated 14 April 2023, and amended by Resolutions No. 13, 17 and 18 of the Ordinary General Meeting of ACTION S.A. dated 21 June 2023, the terms of the Company's own share acquisition programme were changed. Pursuant to the above Resolutions of the General Meeting of the Company, the following changes have been made: 1) the number of shares subject to the own share purchase Programme by increasing it to 2,500,000 (two million five hundred thousand) shares, 2) the maximum cash amount allocated to the own share purchase programme, which is currently PLN 43,000,000, and 3) the amount of the reserve capital created to finance the Company's own share purchase, which has also been set at PLN 43,000,000. Other terms and conditions of the Company's own share purchase programme remained unchanged.

On 26 October 2023 the Management Board of ACTION S.A. (hereinafter also: "Issuer", "Company"), with reference to current reports 52/2022 dated 28 October 2022, 35/2023 dated 14 April 2023, 57/2023 dated 21 June 2023, and 96/2023 of 26 October 2023 announced that on 26 October 2023 the Issuer decided to implement the programme of acquisition of own shares within the framework of the authorisation contained in Resolutions No. 3 and 5 of the Extraordinary General Meeting of ACTION S.A. of 26 October 2022, as amended by Resolutions No. 3 and 4 of the Extraordinary General Meeting of Action S.A. of 14 April 2023, amended by Resolutions No. 13, 17 and 18 of the Ordinary General Meeting of Shareholders of ACTION S.A. of 21 June 2023 as amended by Resolutions No. 3 and 4 of the Extraordinary General Meeting of Shareholders of Action S.A. of 26 October 2023, and established the consolidated text of the detailed terms and conditions of the acquisition of own shares with the following wording: 1. The Company's own shares may be purchased for: redemption and reduction of the Company's share capital; further resale by the Company. 2. The amount of funds allocated for the implementation of the Programme will not exceed PLN 43,000,000. 3. A maximum of 2,500,000 shares in the Company may be acquired under 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 the Programme before the end of the said period, in accordance with the provisions of the Resolution. 5. The price for which the Company will acquire its 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 subsection 6 below. 6. In the case of acquiring Company's own shares in transactions on the regulated market run by the Warsaw Stock Exchange S.A.: a) the transactions will be concluded under the 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 said 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 S.A., 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 Ipopema 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.

On 8 November 2023, with reference to current reports no. 8/2019 of 12 March 2019, 17/2022 of 20 April 2022, 60/2022 of 25 November 2022, 60/2022/K of 28 November 2022, 65/2022 of 15 December 2022 and 41/2023 of 9 May 2023, the Management Board of ACTION S.A. (the Company, the Issuer), announced that on 8 November 2023 it became aware that on 8 November 2023 the Provincial Administrative Court in Warsaw upheld the Company's complaint against the decision of the Director of the Tax Administration Chamber in Warsaw upholding the decision of the Head of the Mazovian Customs and Fiscal Office in Warsaw of 4 January 2018 in part concerning the determination of the VAT tax liability for August, September, October and November 2010. The Provincial Administrative Court in Warsaw, upholding the Company's complaint, ruled to: - annul both decisions of the aforementioned tax authorities, - discontinue the proceedings conducted by the tax authorities. As a result of the above decision, the case was not referred to the Tax Administration Chamber in Warsaw for re-examination. The ruling may be appealed in cassation to the Supreme Administrative Court. The value of the subject matter of the dispute in this case was PLN 3,442 k, subject to the fact that the value for the period from August to November 2010 amounted to PLN 3,309 k. The receivable on this account is covered by the arrangement by operation of law and is subject to repayment under the terms and conditions specified in the validly approved arrangement in the Issuer's completed remedial proceedings. To this extent, the above receivable was 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 2023	Q3 2022
<b>Net sales</b>	<b>640,967</b>	<b>577,101</b>
<b>Gross profit on sales</b>	<b>54,522</b>	<b>49,711</b>
<i>gross margin</i>	8.51%	8.61%
<b>EBIT</b>	<b>9,956</b>	<b>10,497</b>
<i>EBIT margin</i>	1.55%	1.82%
<b>Net profit</b>	<b>8,134</b>	<b>12,213</b>
<i>net margin</i>	1.27%	2.12%

In Q3 2023, the Group achieved sales revenues of PLN 640,967 k, an increase of 11.07% in relation to the turnover recorded in the same period last year. In this period the Group recorded a profit at all analytical levels. The sales profit of PLN 54,522 k, an operating profit of PLN 9,956 k. Net profit for Q3 2023 amounted to PLN 8,134 k. The rate of gross margin earned was 8.51% in the period under review. In the opinion of the Management Board of ACTION S.A., the results for the Q3 2023 were influenced primarily by the continuation of the still high inflation rate, which was accompanied by a significant increase in operating costs, especially indirect or derived costs of energy and fuels and labour costs.

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

	Q3 2023	Q3 2022
<b>Net sales</b>	<b>638,207</b>	<b>577,110</b>
<b>Gross profit on sales</b>	<b>53,436</b>	<b>49,576</b>
<i>gross margin</i>	8.37%	8.59%
<b>EBIT</b>	<b>10,402</b>	<b>10,488</b>
<i>EBIT margin</i>	1.63%	1.82%
<b>Net profit</b>	<b>8,524</b>	<b>12,149</b>

net margin

1.34%

2.11%

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

In the first three quarters of 2023, the most significant factor affecting the ACTION S.A. Capital Group's results was the persistence of above-average inflation. This phenomenon had its consequences, both in the observed increase in operating costs, including in particular the costs of labour and broadly understood services, as well as in decreasing consumption and the observed decrease in retail sales in the country and in most European countries.

All the aspects described above had a significant impact on the results realised by the Company.

## **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 bonds of ACT01040717 series with a nominal value of PLN 10,000 each and a total nominal value of the issue 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 Scheme of ACTION S.A.

The issue price of the bonds was equivalent to their nominal value. The redemption date of the bonds was set on 4 July 2017 at the nominal value. The Bonds bear interest according to the variable interest rate based on WIBOR 6M, increased by a fixed margin. Interest were paid every six months.

Series ACT01040717 bonds were brought to the CATALYST market operating as an alternative trading system by BondSpot S.A.. The first listing took place on 9 September 2014.

The redemption and interest claims of the ACT01 040717 series bonds due after the date of the opening of the remedial proceedings were included in the arrangement by operation of law pursuant to Article 150(1)(1) p.r.

In connection with the final approval of the scheme of arrangements in the Issuer's remedial proceedings, claims on account of the bonds series ACT01040717 are subject to repayment under the conditions of Article 2.4. of the arrangement.

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

Moreover, pursuant to Article 169(3) of the Restructuring Law Act, the claims were converted into shares on the date on which the decision on the approval of the arrangement became final, i.e. on 15 December 2020, and thus the arrangement was implemented with respect to the repayment of 9.65% of the amount of the principal. The converted shares are subject to registration with KDPW S.A.. On 19 May 2021, the Company entered into an agreement with KDPW S.A. for this purpose. D series shares were registered on 25 June 2021, and on 3 September 2021 the assimilation of D series shares with shares of previous issues and introduction of D series shares to trading on the Warsaw Stock Exchange (GPW S.A.) took place. The actions concerning 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 Regional Court in Warsaw on granting a security (of which the Issuer informed in current report No 16/2021 of 8 March 2021 and current report No 22/2021 of 29 March 2021), the Company was prohibited from making declarations of will to Krajowy Depozyt Papierów Wartościowych S.A. concerning the registration of a total of 107,184 D series shares. As a result, all the remaining D series shares, i.e. 2,972,816 shares, were registered with KDPW S.A. Also as a consequence of this, the Issuer's application for bringing series D shares to the regulated market included only 2,972,816 of these shares, and this number of series D shares is traded on the Warsaw Stock Exchange.

As at the balance sheet date, the outstanding amount of PLN 7,500 k, constituting 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 arrangement repayments".

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

The entire profit recorded in 2022 was earmarked for supplementary capital.

#### 5. Statement of the Management Board of the Company on the probability of meeting the previously published result 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

In the analysed period, the Issuer purchased a majority stake of Broń.pl SA shares. As a result of this purchase, GK ACTION commenced operations on the defence products market. Due to the short period of changes and the relatively small scale of the activity of the acquired entity, the Issuer did not record any material changes resulting from the change of the Group's structure. A detailed description of changes in the structure of GK Action is included in section 1.2 of this statement.

#### 7. Shareholders holding, directly or indirectly through 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 the information available to the Company, the following shareholders hold at least 5% of the total votes at the General Meeting of Shareholders as at the date of submission of the previous report for the first half of 2023, i.e. 29 September 2023 were:

Natural or legal person	Number of shares held	% share in the capital of ACTION S.A.	Number of votes	% share in the number of votes
Piotr Bieliński	3,811,749	20.34%	3,811,749	20.34%
Aleksandra Matyka	3,093,457	16.51%	3,093,457	16.51%
Wojciech Wietrzykowski	1,199,390	6.40%	1,199,390	6.40%
ACTION S.A.	578,790	3.09%	578,790	3.09%
Lemuria Partners Sicav P.L.C.	1,250,000	6.67%	1,250,000	6.67%
Teamworks FZE	1,272,114	6.79%	1,272,114	6.79%

Composition of shareholders above 5% of the share capital as at the date of submission of the current report for Q3 2023, i.e. 29 November 2023, has changed and is as follows:

Natural or legal person	Number of shares held	% share in the capital of ACTION S.A.	Number of votes	% share in the number of votes
Piotr Bieliński	3,811,749	20.34%	3,811,749	20.34%
Aleksandra Matyka	3,093,457	16.51%	3,093,457	16.51%
Wojciech Wietrzykowski	1,199,390	6.40%	1,199,390	6.40%
Lemuria Partners Sicav P.L.C.	1,280,000	6.83%	1,280,000	6.83%
Teamworks FZE	1,300,000	6.94%	1,300,000	6.94%

The Company notes that, on 16 August 2023, it became aware of the registration by the District Court for the capital city of Warsaw in Warsaw, 14th Commercial Division of the National Court Register of changes to the reduction of the Company's share capital by the amount of PLN 130,000, amendments to the Articles of Association, and, as a result, the redemption of 1,300,000 of the Company's own shares (representing the same number of votes at the General Meeting), as well as a related change in the existing designation of the Company's shares issued in series A to D by replacing it with a uniform designation as series A–D shares. As a result, the Company's share capital currently amounts to PLN 1,873,700 and consists of 18,737,000 ordinary bearer shares with a nominal value of PLN 0.10 each, designated as series A–D shares. The total number of votes resulting from all the Company's shares is 18,737,000.

Following the registration of changes with respect to the reduction of the Company's share capital and the redemption of 1,300,000 of the Issuer's own shares, the proportions of the Company's Shareholders' share in the total number of votes of the Issuer changed while the number of shares remained the same.

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

As at the date of submitting the statement for the first half of 2023, i.e. 29 September 2023, the managing and supervising persons held the following shares in ACTION S.A.:

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 available to the Company, the above status did not change as at the date of submission the current report for Q3 2023, i.e. 29 November 2023 and is 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. Presentation of material proceedings pending before 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 a compensation. The sued bank does not recognise the claim. The proceedings were initiated in April 2017, and the date for their resolution is mainly – due to the high complexity of the issues involved – difficult to determine. The analyses of the above case carried out so far indicate that the Company had justified grounds to bring this case before the court.

Currently there are court proceedings concerning the tax issue concerning the determination of the tax liability in VAT for August, September, October and November 2010. The Company filed a complaint against this decision to the administrative court, which was resolved in favour of the Issuer on 9 November 2023. The judgment rendered in this case is not final and is subject to a cassation appeal to the Supreme Administrative Court. The value of the subject matter in this case was PLN 3,442 k. In addition, the Company has lodged a complaint with the European Court of Human Rights in a legally completed case concerning the reliability of the declared tax bases and the correctness of the calculation and payment of VAT for the individual settlement periods from July 2011 to January 2012. The value of the subject matter of the dispute in the above case was PLN 29,115 k. These cases are described in detail in Note 3.4 Taxes.

The total value of liabilities arising from decisions subject to court proceedings and administrative proceedings relating to VAT and CIT described in Note 3.3 Taxes recognised in the accounts as at 30 September 2023 amounts to PLN 8,210 k. The Issuer explains that the above amount includes the current balances of provisions for these liabilities, according to the degree of reduction resulting from the legally approved arrangement in the Company's remedial proceedings, and the arrangement-related instalments repaid 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 letters of credit) with respect to third parties, arising from agreements signed as of 30 September 2023, amounted to PLN 13,571 k. The share of the value of guarantees and sureties granted to one entity in the value of the Company's equity did not exceed 10% and is not significant. Guarantees and sureties granted have been described in note 6 of the *Notes on the condensed consolidated financial statements – Contingent assets and liabilities*.

## **12. Other information relevant to the evaluation of the Group's personnel, property and financial capacity, 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 2023 the Company will be undertaking a range of measures aimed at adjusting the employment structure to its current needs.

## **13. Factors influencing the Group's results by the end of 2023**

In the opinion of the Management Board, the most significant factor influencing the Group's results by the end of 2023 will be the persistence of unfavourable domestic and global macroeconomic indicators in an environment of ongoing military and political conflicts and their impact on consumer and investment decisions.

In the opinion of the Management Board, other factors affecting the results generated in the future include:

In relation to internal factors:

- a) Ongoing processing of arrangement payments.
- b) Current analysis of the profitability of transactions and markets served with a clear focus on the market of small customers and the retail market, in particular e-commerce in Poland and abroad.
- c) Continuous oversight of platform development: Sferis.pl., Krakvet.pl, Broń.pl and hobby4man.pl.
- d) Actively seeking out new opportunities to develop one's own e-commerce.
- e) Operations connected with active participation in the renewable energy market, in particular the PV market.
- f) activities on the electromobility market.
- g) Strict control of the effectiveness of managing the current assets, in particular inventories.
- h) Current monitoring of risks connected with the Company's operations and undertaking measures aimed at their limitation or elimination.
- i) Current analysis and strict control of the cost effectiveness of operations conducted.
- j) Ongoing control and effective financial management.
- k) Effective use of logistic resources.
- l) Ongoing supervision over the scope of commercial offer and entering new markets.

In relation to external factors:

- a) Further course of fiscal proceedings conducted against the Company and appeal proceedings connected therewith.
- b) Results of fiscal proceedings conducted against the Company's biggest competitors and their impact on their operating activities and the market structure.
- c) Conduct of financial institutions, including banks and insurers.
- d) Changes on the distribution market and consumer behaviours.
- e) Technological changes in the products offered.
- f) Changes in market shares of the Company's largest suppliers and customers.
- g) Economic and political situation in Poland and around the world.
- h) Effects of implemented and planned changes in law.
- i) Scale of investments implemented in Poland, in particular IT investments.
- j) Changes in current and long-term macroeconomic policy in Poland and the world.
- k) The effects of the war in Ukraine, Israel and the overall political situation in the world.

l) The occurrence of significant imbalances in markets, the occurrence of crises and their impact on consumer and investment behaviour.

Considering the political and economic situation on the territory of Ukraine and the decision of the President of the Council of Ministers to keep the CRP alert level in the territory of Poland concerning the occurrence of an increased and predictable threat of a terrorist incident resulting from the mass influx of refugees from the territory of Ukraine and the occurrence of a potential risk to the security of ICT systems in connection with identified threats resulting from the tense situation in the region, the Issuer monitors and evaluates the impact of this situation on the Company and its Capital Group. In compliance with sanction provisions, the Company does not cooperate with the sanctioned entities. The 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 Capital Group in the future.

However, should any unexpected circumstances arise, 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 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 at 30 September 2023 and for the period 1.01.2023 – 30.09.2023

	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>

Data as at 30 September 2022 and for the period 1.01.2022 – 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>

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

\*\*) ACTIVE TRAVEL Sp. z o.o. in liquidation with its registered office in Warsaw.

\*\*\*) 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 at 30 September 2023 and for the period 1.01.2023 – 30.09.2023

	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 2022 and for the period 1.01.2022 – 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>

## 15. Information about the acquisition of own shares

In 2022 and 2023, the Company acquired shares as part of the implementation of the acquisition of own shares programme under the authorisation contained in Resolutions No. 3 and 5 of the Extraordinary General Meeting of ACTION S.A. of 26 October 2022 (as amended by General Meeting Resolutions No. 3 and 4 dated 14 April 2023 and 13, 17 and 18 dated 21 June 2023, and 3 and 4 of 26 October 2023) and in accordance with the detailed terms and conditions for the acquisition of own shares published in current reports no: 52/2022 of 28 October 2022, 36/2023 of 14 April 2023 and 58/2023 of 22 June 2023 and 97/2023 of 26 October 2023.

The reason for acquiring own shares is to fulfil the purposes of this transaction. According to the aforementioned documents, the Company's own shares may be acquired for the purpose of: redemption and reduction of the Company's share capital; further resale by the Company. The Management Board is authorised to specify in detail the objective of acquiring own shares in the scope specified in the preceding sentence; where the objective is the redemption of own shares and reduction of the Company's share capital, the objective is confirmed in a resolution of the General Meeting on the redemption of shares. The Company has decided on one of the above objectives for part of the acquired shares, i.e. they have been redeemed and the Company's share capital has been reduced. These actions concerned 1,300,000 own shares with a nominal value of PLN 130,000 and were carried out under Resolutions No. 14 and 15 of the Ordinary General Meeting of 21 June 2023. The court registration of the share capital reduction by the value of the redeemed shares took place on 16 August 2023. However, the Company has not decided on the choice of the aforementioned objectives with regard to the remaining own shares currently held.

In the period from the start of the acquisition until 30 September 2023 the Issuer purchased 1,989,219 treasury shares (ISIN code: PLACTIN00018) with a nominal value of PLN 0.10 per share and a total nominal value of PLN 198,922.00. The total value of the aforementioned shares acquired by the Company, understood as the total price paid for these shares, amounts to PLN 33,308,222.

Own shares were acquired during trading sessions on the main market of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange) and by way of an invitation to shareholders to offer to sell

shares and the acceptance of these offers by the Company. Own shares were acquired exclusively through an investment firm.

The Company did not dispose of own shares in 2022 and 2023. Therefore, the own shares described above, which were acquired by the Company in 2022 and 2023 and which were not redeemed, are also retained shares during the period.

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

The condensed interim financial statements of ACTION S.A. for the quarterly period ending 30 September 2023 include: a statement of countable income, a statement of financial position, a statement of changes in equity, a cash flow statement and selected explanatory information.

In accordance with 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 statements and comparative data were prepared in compliance with accounting principles 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 statements, the Company kept its accounting books in accordance with International Financial Reporting Standards ("IFRS") approved by the EU, issued and binding as of the balance-sheet date, and in matters not regulated by the above standards, in compliance with the Polish Accounting Act of 29 September 1994 (Journal of Laws of 2021, item 217).

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Piotr Bieliński  
President of the Management  
Board

Sławomir Harazin  
Vice-President of the Management  
Board

Zamienie, 29 November 2023

## V. Interim condensed financial statement of ACTION S.A. for the period from 1 January 2023 to 30 September 2023

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

SELECTED SEPARATE FINANCIAL DATA	in PLN k		in EUR k	
	3 quarters	3 quarters	3 quarters	3 quarters
	period from 01.01.2023 to 30.09.2023	period from 01.01.2022 to 30.09.2022	period from 01.01.2023 to 30.09.2023	period from 01.01.2022 to 30.09.2022
I. Net revenues from sales of products, goods and materials	1,778,337	1,692,379	388,512	361,002
II. Gross profit/loss on sales	152,582	146,795	33,334	31,313
III. Operating profit/loss	27,724	34,007	6,057	7,254
IV. Net profit/loss attributable to the Company's shareholders	23,423	31,144	5,117	6,643
V. Net cash flow from operating activities	33,713	1,551	7,365	331
VI. Net cash flow from investment activities	-5,932	-2,574	-1,296	-549
VII. Net cash flow from financial activities	-32,416	-512	-7,082	-109
VIII. Net increases (decreases) in cash	-4,635	-1,535	-1,013	-327
IX. Profit / loss per ordinary share *) (in PLN/EUR)	1.25	1.55	0.27	0.33
	<b>As at 30.09.2023</b>	<b>As at 31.12.2022</b>	<b>As at 30.09.2023</b>	<b>As at 31.12.2022</b>
X. Total assets	685,169	646,353	147,806	137,818
XI. Liabilities	243,301	204,345	52,485	43,571
XII. Long-term liabilities	68,584	79,084	14,795	16,863
XIII. Short-term liabilities	174,717	125,261	37,690	26,709
XIV. Equity attributable to the Company's shareholders	441,868	442,008	95,321	94,247
XV. Share capital	1,874	2,004	404	427
XVI. Weighted average number of shares**) (quantity)	18,737,000	20,037,000	18,737,000	20,037,000
XVII. Book value per share ***) (in PLN/EUR)	23.58	22.06	5.09	4.70

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

\*\*) The number of shares includes the change in the nominal value of series A shares from PLN 1 to PLN 0.10; at the same time, 1 share of PLN 1 is divided into 10 shares, each with the nominal value of PLN 0.10. The change was made on 11 April 2006 under 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 at the last day of the period
01.01.2023 – 30.09.2023	4.5773	4.4135	4.7170	4.6356
01.01.2022 – 31.12.2022	4.5775	4.4805	4.6834	4.5994
01.01.2022 – 30.09.2022	4.6880	4.5756	4.8698	4.8698

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

- items concerning the statement of countable 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 three quarters of 2023 stood at EUR 1 = PLN 4.5773, for three quarters of 2022 – EUR 1 = PLN 4.6356;
- items of the statement of financial position were translated at the average exchange rate published by the National Bank of Poland, in force as at the balance-sheet date; as at 30 September 2023 this exchange rate stood at: 1 EUR = 4.6356 PLN, as at 31 December 2022: 1 EUR = 4.5994 PLN and as at 30 September 2022: 1 EUR = 4.8698 PLN.

## Condensed consolidated statement of countable income

All revenue and costs relate to continuing operations.

	period from 01.01.2023 to 30.09.2023	period from 01.07.2023 to 30.09.2023	period from 01.01.2022 to 30.09.2022	period from 01.07.2022 to 30.09.2022
Sales revenue	1,778,337	638,207	1,692,379	577,110
Costs of products, goods and materials sold	-1,625,755	-584,771	-1,545,584	-527,534
<b>Gross profit on sales</b>	<b>152,582</b>	<b>53,436</b>	<b>146,795</b>	<b>49,576</b>
Sales and marketing costs	-92,818	-30,483	-86,154	-29,213
General administration costs	-33,609	-13,071	-27,838	-10,247
Other operating revenue	2,440	779	3,147	699
Other expenses and losses	-871	-259	-1,943	-327
<b>Operating profit/loss</b>	<b>27,724</b>	<b>10,402</b>	<b>34,007</b>	<b>10,488</b>
Financial revenue	3,512	1,299	5,636	4,276
Financial costs	-2,169	-845	-2,099	-533
<b>Profit/loss before tax</b>	<b>29,067</b>	<b>10,856</b>	<b>37,544</b>	<b>14,231</b>
Income tax	-5,644	-2,332	-6,400	-2,082
<b>Net profit/loss on continuing operations</b>	<b>23,423</b>	<b>8,524</b>	<b>31,144</b>	<b>12,149</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>23,423</b>	<b>8,524</b>	<b>31,144</b>	<b>12,149</b>
<b>Other components of comprehensive income</b>				
Other countable income that will be reclassified to profit or loss, before tax	2,178	-102	0	0
Income tax	-414	19	0	0
<b>Other components of net comprehensive income that may be reclassified to profit or loss</b>	<b>1,764</b>	<b>-83</b>	<b>0</b>	<b>0</b>
<b>Countable income for the period</b>	<b>25,187</b>	<b>8,441</b>	<b>31,144</b>	<b>12,149</b>
<b>Profit/loss per share</b>				
Basic profit/loss on continuing operations	<b>1.25</b>	<b>0.45</b>	<b>1.55</b>	<b>0.61</b>
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	<b>1.25</b>	<b>0.45</b>	<b>1.55</b>	<b>0.61</b>
Diluted profit / loss on discontinued operations	0.00	0.00	0.00	0.00
<b>Weighted average number of shares</b>	<b>18,737,000,</b>	<b>18,737,000,</b>	<b>20,037,000,</b>	<b>20,037,000,</b>
<b>Diluted number of shares</b>	<b>18,737,000</b>	<b>18,737,000</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 2023

## Condensed statement of financial position

	30.09.2023	31.12.2022	30.09.2022
<b>ASSETS</b>			
Tangible fixed assets	134,458	138,238	138,122
Goodwill	0	0	0
Other intangible assets	5,944	5,648	5,552
Investment real estate	3,770	3,642	3,592
Financial assets	5,273	500	128
Other financial assets	0	0	0
Deferred income tax assets	0	0	0
Trade and other receivables	0	0	0
<b>Fixed assets</b>	<b>149,445</b>	<b>148,028</b>	<b>147,394</b>
Inventory	273,173	263,562	274,601
Trade and other receivables	203,025	178,177	178,982
Current income tax receivables	0	791	0
Derivative financial instruments	0	84	0
Other financial assets	8,950	500	500
Cash and cash equivalents	50,576	55,211	50,326
<b>Current assets</b>	<b>535,724</b>	<b>498,325</b>	<b>504,409</b>
<b>Total assets</b>	<b>685,169</b>	<b>646,353</b>	<b>651,803</b>
<b>EQUITY</b>			
Share capital	1,874	2,004	2,004
Share premium	77,207	77,207	77,207
	-12,840	-7,982	0
Retained profit	373,863	370,779	353,287
Other reserves	1,764	0	0
<b>Total equity</b>	<b>441,868</b>	<b>442,008</b>	<b>432,498</b>
<b>LIABILITIES</b>			
Loans, borrowings and other liabilities on account of financing	0	0	0
Lease liabilities	1,261	1,789	1,831
Trade and other liabilities	63,501	73,208	82,383
Deferred income tax provisions	3,822	4,087	1,034
<b>Long-term liabilities</b>	<b>68,584</b>	<b>79,084</b>	<b>85,248</b>
Trade and other liabilities	169,620	123,312	130,995
Loans, borrowings and other liabilities on account of financing	0	0	0
Lease liabilities	803	836	808
Current income tax liabilities	2,969	0	193
Provisions for employee benefits	1,325	1,113	2,061
Provisions for other liabilities and charges	0	0	0
Derivative financial instruments	0	0	0
<b>Short-term liabilities</b>	<b>174,717</b>	<b>125,261</b>	<b>134,057</b>
<b>Total liabilities</b>	<b>243,301</b>	<b>204,345</b>	<b>219,305</b>
<b>Total equity and liabilities</b>	<b>685,169</b>	<b>646,353</b>	<b>651,803</b>

Piotr Bieliński  
President of the Management  
Board

Sławomir Harazin  
Vice-President of the Management  
Board

Zamienie, 29 November 2023



## Condensed statement of changes in equity

### Equity attributable to the Company's shareholders

	Share capital	Share premium	Treasury shares	Retained profit	Other reserves	Total equity
<b>As of 1 January 2023</b>	<b>2,004</b>	<b>77,207</b>	<b>-7,982</b>	<b>370,779</b>	<b>0</b>	<b>442,008</b>
Changes in equity:	<b>-130</b>	<b>0</b>	<b>-4,858</b>	<b>3,084</b>	<b>1,764</b>	<b>-140</b>
Acquisition of own shares	0	0	-25,324	0	0	-25,324
Total countable income	0	0	0	23,423	1,764	25,187
Redemption of equity shares	-130	0	20,466	-20,336	0	0
Other	0	0	0	-3	0	-3
<b>As at 30 September 2023</b>	<b>1,874</b>	<b>77,207</b>	<b>-12,840</b>	<b>373,863</b>	<b>1,764</b>	<b>441,868</b>

	Share capital	Share premium	Treasury shares	Retained profit	Other reserves	Total equity
<b>As at 1 January 2022</b>	<b>2,004</b>	<b>77,207</b>	<b>0</b>	<b>322,043</b>	<b>0</b>	<b>401,254</b>
Changes in equity:	<b>0</b>	<b>0</b>	<b>-7,982</b>	<b>48,736</b>	<b>0</b>	<b>40,754</b>
Acquisition of own shares	0	0	-7,982	0	0	-7,982
Total countable income	0	0	0	49,491	0	49,491
Other	0	0	0	-755	0	-755
<b>As of 31 December 2022</b>	<b>2,004</b>	<b>77,207</b>	<b>-7,982</b>	<b>370,779</b>	<b>0</b>	<b>442,008</b>

### Equity attributable to the Company's shareholders

	Share capital	Share premium	Treasury shares	Retained profit	Other reserves	Total equity
<b>As at 1 January 2022</b>	<b>2,004</b>	<b>77,207</b>	<b>0</b>	<b>322,143</b>	<b>0</b>	<b>401,354</b>
Changes in equity:	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,144</b>	<b>0</b>	<b>31,144</b>
Total countable income	0	0	0	31,144	0	31,144
Other	0	0	0	0	0	0
<b>As at 30 September 2022</b>	<b>2,004</b>	<b>77,207</b>	<b>0</b>	<b>353,287</b>	<b>0</b>	<b>432,498</b>

Piotr Bieliński  
President of the Management  
Board

Sławomir Harazin  
Vice-President of the Management  
Board

Zamienie, 29 November 2023

## Condensed cash flow statement

	period from 01.01.2023 to 30.09.2023	period from 01.01.2022 to 30.09.2022
<b>Cash flow from operating activities</b>		
<b>Gross profit/loss for the financial period</b>	<b>29,067</b>	<b>37,544</b>
<b>Adjustments:</b>	<b>7,999</b>	<b>-31,321</b>
Depreciation of fixed tangible and intangible assets	6,731	6,263
Profit (loss) on investment activities	-144	441
Interest revenue	-3,512	-1,600
Interest expenses	50	50
Other	-1,028	-96
Changes in working capital:		
Inventory	-9,611	-24,590
Trade and other receivables	-24,057	3,207
Trade and other liabilities	39,570	-14,996
Income tax paid	-3,353	-4,672
<b>Net cash flow from operating activities</b>	<b>33,713</b>	<b>1,551</b>
<b>Cash flow from investment activities</b>		
Acquisition of tangible fixed assets and intangible assets	-4,998	-2,750
Acquisition of investment real properties	0	0
Inflows from sale of property, plant and equipment and from intangible assets	0	0
Other investment inflows/outflows	-934	176
<b>Net cash flow from investment activities</b>	<b>-5,932</b>	<b>-2,574</b>
<b>Cash flow from financing activities</b>		
Inflows from the issue of shares	0	0
Acquisition of own shares	-25,324	0
Acquisition of debt securities	-6,345	0
Loans and borrowings received	0	0
Repayment of loans and borrowings	0	0
Dividends paid	0	0
Interest paid	-50	-50
Payments of liabilities under financial lease agreements	-697	-462
Other financial inflows/outflows	0	0
<b>Net cash flow from financial activities</b>	<b>-32,416</b>	<b>-512</b>
<b>Net increase/decrease in cash</b>	<b>-4,635</b>	<b>-1,535</b>
Cash balance at the beginning of the period	55,211	51,861
Foreign exchange gains (losses) on measurement of cash	0	0
<b>Cash balance at the end of the period</b>	<b>50,576</b>	<b>50,326</b>

Piotr Bieliński  
President of the Management  
Board

Sławomir Harazin  
Vice-President of the Management  
Board

Zamienie, 29 November 2023

## Notes

### 2. Significant estimates

Deferred income tax assets and provisions recognised in the statement of financial position were disclosed after being offset. The 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:

	30.09.2023	31.12.2022
Deferred income tax assets:		
– deferred income tax assets falling due within 12 months	3,993	6,970
	<b>3,993</b>	<b>6,970</b>
Deferred income tax provisions:		
– deferred income tax provisions falling due within 12 months	7,815	11,057
	<b>7,815</b>	<b>11,057</b>
<b>Deferred income tax assets</b>	<b>3,993</b>	<b>6,970</b>
<b>Deferred income tax provisions</b>	<b>7,815</b>	<b>11,057</b>
<b>Deferred income tax assets/provisions (on balance)</b>	<b>-3,822</b>	<b>-4,087</b>

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

	30.09.2023	31.12.2022
Opening balance	<b>-4,087</b>	<b>2,384</b>
Credit of/charge on the financial result	679	-6,471
Increase/decrease in equity	-414	0
<b>Closing balance</b>	<b>-3,822</b>	<b>-4,087</b>

### 3. Write-downs on items of assets

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

	30.09.2023	31.12.2022	30.09.2022
<b>Write-down of long-term financial assets at the beginning of the period</b>	<b>-2,897</b>	<b>-13,847</b>	<b>-13,847</b>
Created	0	0	0
Utilised	0	10,950	10,950
Released	0	0	0
<b>Write-down of long-term financial assets at the end of the period</b>	<b>-2,897</b>	<b>-2,897</b>	<b>-2,897</b>

## 2.2 Write-down on short-term financial assets

	30.09.2023	31.12.2022	30.09.2022
<b>Write-down of short-term financial assets at the beginning of the period</b>	<b>-3,102</b>	<b>-3,102</b>	<b>-3,102</b>
Created	0	0	0
Utilised	0	0	0
Released	220	0	0
<b>Write-down of short-term financial assets at the end of the period</b>	<b>-2,882</b>	<b>-3,102</b>	<b>-3,102</b>

## 2.3 Write-downs on inventories

	30.09.2023	31.12.2022	30.09.2022
<b>Write-down of inventories at the beginning of the period</b>	<b>-6,233</b>	<b>-7,767</b>	<b>-7,767</b>
Created (Costs of products, goods and materials sold)	-1,130	-2,792	-3,550
Utilised	0	0	0
Released (Costs of products, goods and materials sold)	3,642	4,326	3,880
<b>Write-down of inventories at the end of the period</b>	<b>-3,721</b>	<b>-6,233</b>	<b>-7,437</b>

## 2.4 Write-downs on trade and other receivables

	30.09.2023	31.12.2022	30.09.2022
<b>Write-down of receivables at the beginning of the period</b>	<b>-6,736</b>	<b>-22,420</b>	<b>-22,420</b>
Created	-1,302	-2,041	-307
Utilised	94	14,770	14,768
Released	1,397	2,955	1,535
<b>Write-down of receivables at the end of the period</b>	<b>-6,547</b>	<b>-6,736</b>	<b>-6,424</b>

## 4. Contingent assets and liabilities

As of 30 September 2023, the Company held contingent receivables due to the repayment of receivables in the amount of PLN 3,634 k. Hedging liabilities under contracts signed as of the reporting date and not reflected in the Company's interim condensed financial statement amounted to PLN 13,571 k as of 30 September 2023 and PLN 5,651 k as of 31 December 2022.

	30.09.2023	31.12.2022	30.09.2022
<b>1. Contingent receivables</b>	<b>3,634</b>	<b>2,213</b>	<b>1,766</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)	3,634	2,213	1,766
– guarantees and sureties received	3,634	2,213	1,766
<b>2. Contingent liabilities</b>	<b>13,571</b>	<b>5,651</b>	<b>8,904</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)	13,571	5,651	8,904
– guarantees and sureties granted	13,571	5,651	8,904
– 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>17,205</b>	<b>7,864</b>	<b>10,670</b>

### Guarantees and sureties granted

As of 30 September 2023, the value of guarantees and sureties granted amounted to PLN 13,571 k, of which:

#### to other entities

Bank guarantees totalling PLN 1,249 k (EUR 270 k),  
Bank guarantees totalling PLN 1,147 k (USD 263 k),  
Bank guarantees totalling PLN 11,175 k.

## 5. Business combinations

There were no mergers in the period covered by the report.

These interim condensed consolidated financial statements were approved by the Management Board of ACTION S.A. on 29 November 2023.

Signatures of all Management Board Members

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

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

Zamienie, 29 November 2023