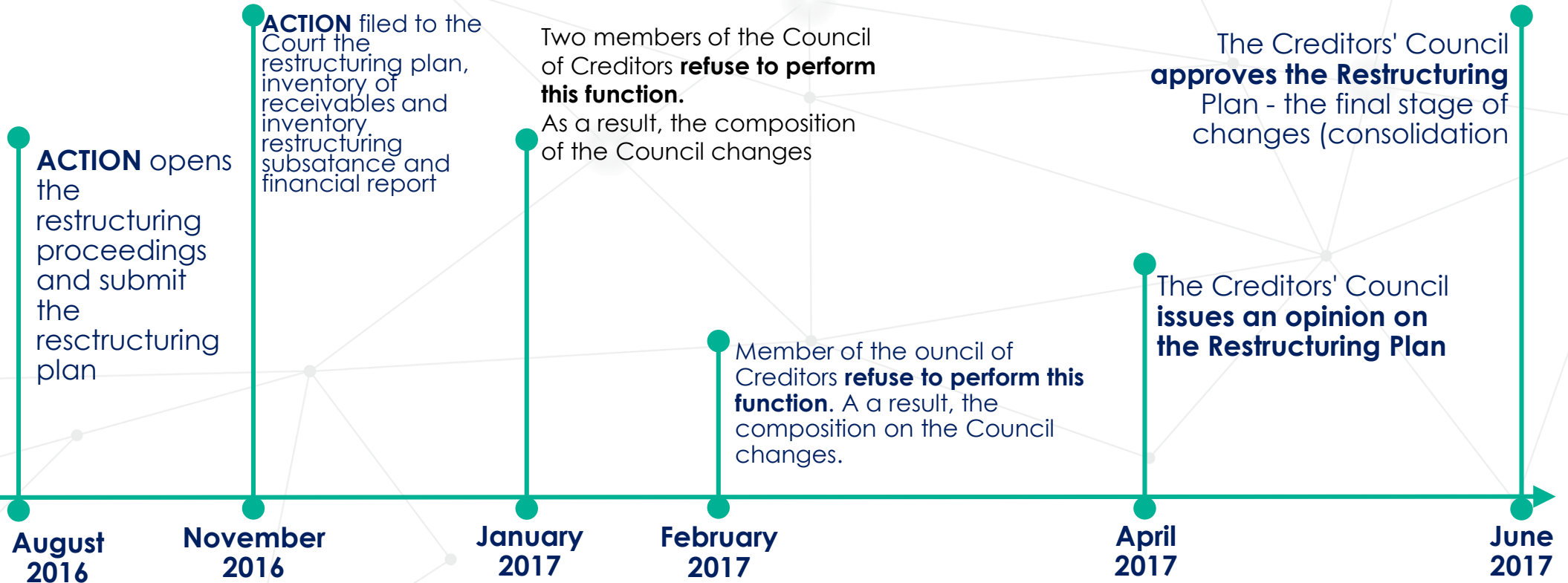

**Results Presentation for
I half of the year 2017**



Event calendar

Event calendar



WAITING FOR COMPLETING DECISIONS AND PROCESSES RELATED TO THE COMPANY



Financial results

Selected consolidated financial data of ACTION CAPITAL GROUP

	IIQ 2016	IIQ 2017	IH 2016	IH 2017
Revenues from sales of products	805 631	360 594	1 895 160	794 823
Gross profit	59 198	32 314	126 544	56 947
profitability gross margin	7,3%	9%	6,7%	7,2%
Cost of sales and marketing	-48 660	-35 650	-104 079	-68 827
In relation to revenue	-6%	-9,9%	-5,5%	-8,7%
general administrative expenses	-8 799	-8 199	-17 171	-16 220
In relation to revenue	-1,1%	-2,3%	-0,9%	2%
Other income and costs	-144	-12 176	-1 460	-12 815
Profit from operating activities	1 595	-23 711	3 834	-40 915
Net financial expenses	-2 453	-2 357	-4 664	-3 050
Net profit attributed to the Company's shareholders	-174	-25 888	208	-43 489
Net profit margin	0%	-7,2%	0%	-5,5%
EBITDA	3 936	-21 204	9 820	-35 717

Selected consolidated financial data of ACTION S.A.

	IIQ 2016	IIQ 2017	IH 2016	IH 2017
Revenues from sales of products	648 626	280 678	1 578 123	614 352
Gross profit	39 393	18 585	87 011	30 605
profitability gross margin	6,1%	6,6%	5,5%	5%
Cost of sales and marketing	-31 836	-21 317	-66 433	-40 707
In relation to revenue	-4,9%	-7,6%	-4,2%	-6,6%
general administrative expenses	-5 768	-6 284	-11 783	-12 454
In relation to revenue	-0,9%	-2,2%	-0,7%	-2%
Other income and costs	1 329	-8 770	1 201	-8 367
Profit from operating activities	3 118	-17 786	9 996	-30 923
Net financial expenses	-2 228	-2 020	-4 326	-2 384
Net profit attributed to the Company's shareholders	894	-19 806	5 016	-33 307
Net profit margin	0,1%	-7,1%	0,3%	-5,4%
EBITDA	4 986	-15 513	15 035	-26 282

Cash Flow

	IH 2016	IH 2017
Net cash flows from operating activities	43 580	81 017
Net cash flows from investing activities	-2 472	551
Net cash flows from financing activities	-7 373	-95 211

Cash conversion cycle

	IH 2016	IH 2017
Warehouse rotation	45	40
Incoming receivables	27	49
Obligions repayment	43	95
Cash conversion	29	-7

Key factors influencing the result for H1 2017

Positive :

- Significant increase in Q2 margin over Q1 due to change in business model
- Reducing employment (first effects seen in H1, consecutive in the following periods)
- Increase in the number of suppliers
- Maintaining the customer base in the most difficult period (restructuring, seasonality)

Negative:

- Necessity of risk to need to make write-off described in post-control protocols
- High restructuring costs, including delayed consolidation of companies in the Capital Group
- Recognition of interest expense on bonds in Q2
- Creation of write-offs updating the value of receivables, including receivables of a liquidated Subsidiary despite positive decisions of the Tax Chamber

The cost-effectiveness of the new strategy –ACTION CAPITAL GROUP

The results of a one – off cost show that the strategy by the Company brings the results

	IQ 2017	IIQ 2017
Results on operating activities	-17 204	-10 426*
Net profit allocated to Company's shareholders	-17 601	-12 603*
EBITDA	-14 513	-7 919*

*

The cost-effectiveness of the new strategy– ACTION S.A.

The results of a one – off cost show that the strategy by the Company brings the results

	IQ 2017	IIQ 2017
Results on operating activities	-13 137	-7 005*
Net profit allocated to Company's shareholders	-13 501	-9 025*
EBITDA	-10 769	-4 732*

After purifying the effect of the off's in total 10 781 thousands PLN

Group companies

ACTION S.A.

CONSEQUENT BUSINESS REALIZATION DESPITE THE ADVERSE CONDITIONS

Introduction of changes in business strategy (new rules and structures in the organization)

- The „market – price” strategy for the offered products – to cut off from the old distributions model
- Develop the offer for non-IT products, with a focus on e-commerce
- Action Business Center: Developing value-added sales, training for customers



ACTION S.A.

CONSEQUENT BUSINESS REALIZATION DESPITE THE ADVERSE CONDITIONS

II. Negotiated contracts

During the restructuring process the Company signed 8 new business contracts, including:

- **DJI** – top professional drons manufacturer
- **American Megatrends** – manufacturer of BIOS firmware solutions
- **Promise Technology** – mass storage

ACTION Europe

DEVELOPMENT IN THE TRANSFORMATION OF GERMAN MARKET DISTRIBUTION MARKET AND WITH RESTRICTED FINANCING

Restrictive approach of banks and insurers due to restructuring proces of ACTION S.A. - encumberance the financing of the Company's operations

Adapt business to the present situation (limitation of financing, changes in the IT distribution industry)

- **Further optimization** of the Company's operations:
- **Automation of processes**
- **Improving logistics efficiency**
- **Development of VAD**
- **Continuation of a strategy based on e-commerce, B2B and B2C sales**

Uruchomienie testowej wersji platformy e-commerce Sferis.de



Sferis

DYNAMIC E-COMMERCE DEVELOPMENT AND EXPECTATION FOR CONSOLIDATION

Sales growth and e-commerce ratios

Continuation of the process of elimination of unprofitable locations

Dynamic growth and concentration on e-commerce:

- Increase in conversion rate by 114% y / y
- The increase in the number of sold products by 145% y / y
- The increase in the number of unique commodity items by 156%
- Increase in orders by 159% y / y

Significant reduction in operating costs after approval of the consolidation



Actionmed

FURTHER BUILDING A STRONG POSITION IN THE SECTOR

Comprehensive reconstruction of the radiology department in the hospital in Bartoszyce:

- 2-digit RTGs
- Portable ultrasound machine
- Renovation of the entire hospital ward
- Order value - approx. PLN 3.5 million



Tendered bids:

- Automation of the Medicover pharmacy in Warsaw - value of 700 thousand PLN
- The implementation of X-ray and ultrasound in the "Drewnica" hospital in Ząbki - worth about 1 mln
- Delivery of USG devices to the hospital in Augustów - value of about 230 thousand PLN

Further strengthen the recognition of the industry:

19th International Congress of the Polish Society of Anaesthesiology and Intensive Therapy

Active&Food



Active&Food

CONTINUATION OF PROMOTIONAL AND TRADE ACTIONS

Signing distribution agreements for sale:

- Non-carbonated water (Active Aqua Mineral Ustronianska, Active Aqua Mineral Ostromecko)
- Breakfast cereal (Fitella and Active Fit)

Signing a letter of intent with the Vanguard

network for trade cooperation in the field of imported and custom brands: milk, cereal, drinks

Participation in the most important trade fairs:

- SIAL Shanghai - over 2 thousand people and about 300 companies interested in cooperation
- B2B IFE Guangzhou - the most important B2B trade fair in South China dedicated to imported food

What's ahead?



CONSOLIDATION IN ACTION
Capital Group



DEVELOPMENT OF RETAIL TRADE IN POLAND AND GERMANY (SFERIS.PL, SFERIS.DE)



DEVELOPMENT OF DISTRIBUTION WITH VALUE ADDED IN POLAND AND UNITED KINGDOM (ACTION BUSINESS CENTER)



CONTINUATION OF EXPANSION OFFER OUTSIDE FROM IT



COST REDUCTION



DEVELOPMENT OF ACTIONMED AND ACTIVE & FOOD PROJECTS

**Thank you for your
attention !**