

RESULTS PRESENTATION

Q3 2015



TRADE WITHOUT BORDERS



Business is changing, therefore we are changing into a trading group



Price decided upon by the manufacturers

Dependency on the situation and strategy of the manufacturer

Selling mainly from the offer resulting from the current distribution contacts



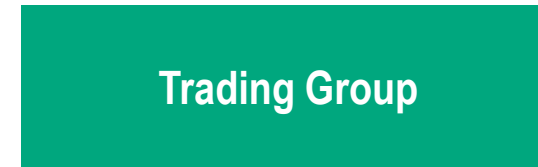
Model which works well provided the market conditions are good and the demand for the products is high in the given sector



Price decided upon by ACTION, with the possibility to generate higher margins

Effective use of the potential related to access to all sales channels (with focus on e-commerce)

Acquiring partners and products which correspond to the current demand (using trends in various sectors)



Model which enables ACTION to use its potential and the current market conditions effectively



FINANCIAL RESULTS

Selected financial data of GK ACTION

	Q3 2014	Q3 2015	Change in %	Q1-3 2014	Q1-3 2015	Change in %
Sales revenues	1,291,402	1,171,456	-9.3%	3,812,368	3,731,333	-2.1%
Gross sales margin	75,870	68,806	-9.3%	228,907	207,898	-9.2%
Gross margin profitability	5.9%	5.9%	0.0 p.p.	6.0%	5.6%	-0.4 p.p.
Sales and marketing expenses	-47,758	-53,083	11.1%	-140,623	-152,744	8.6%
In relation to revenues	-3.7%	-4.5%	0.8 p.p.	-3.7%	-4.1%	0.4 p.p.
General and administrative expenses	-7,763	-7,158	-7.8%	-23,169	-24,937	7.6%
In relation to revenues	-0.6%	-0.6%	0.0 p.p.	-0.6%	-0.7%	0.1 p.p.
Other revenues and expenses	489	578	18.2%	814	1,656	103.4%
Result on operating activities	20,838	9,143	-56.1%	65,929	31,873	-51.7%
Net financial expenses	-1,787	-1,827	2.2%	-4,942	-5,627	13.9%
Net profit	15,455	6,239	-59.6%	48,626	22,510	-53.7%
Net result profitability	1.2%	0.5%	-0.7 p.p.	1.3%	0.6%	-0.7 p.p.

Cash flows

	Q1 2015	Q2 2015	Q3 2015
Net cash flows from financial activities	41,703	-68,612	49,747
Net cash flows from investment activities	-4,019	-10,097	-1,138
Net cash flows from financial activities	-83,296	54,863	-61,317

Cash conversion cycle

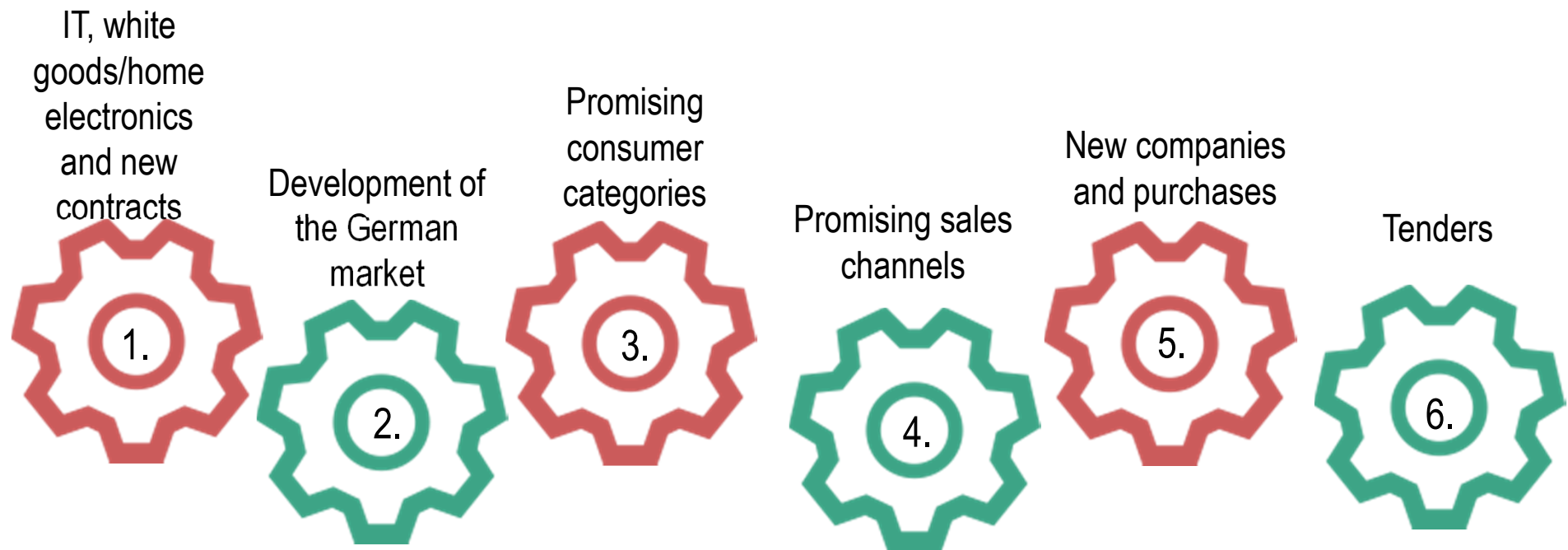
	Q1 2015	Q2 2015	Q3 2015
Inventory turnover	31	39	43
Inflow of receivables	32	32	43
Payment of liabilities	42	43	58
Cash conversion	21	28	28



WE BUILD AN INTERNATIONAL TRADING GROUP



Business Development Elements



IT, white goods/home electronics and new contracts



- New distribution contracts

- Motorola: *telephones*
- Microsoft Surface: *tablets*
- Qnap: *storage*
- ElkoEP: *automation/intelligent houses*
- Ozon: *gaming PC*
- Tristar: *small white goods*



Development of the German market



- September is the first month with a profit

PLN M	Q1-3 2014	Q1-3 2015	difference	Q3 2014	Q3 2015	difference
Revenues	327.2	493.5	50.8% ↑	106.3	188.2	77.0% ↑
Net result	-6.8	-0.9	-86.8% ↑	-2.7	-0.1	-96.3% ↑

- developing an offer for the following products and services: IT, home electronics/white goods, network, SmartHouse
- development of the client database (2650)
- development of sales in retail chains
- purchases - searching for companies that would complement the profile of Action Europe



GOAL:

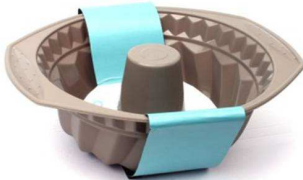
- planned revenues in 2015 - Euro 180 M
- planned revenues in 2016 - Euro 220 M

Promising consumer categories



- Developing an offer for the following products and services:

- Industrial goods
 - Self-medication products
 - Kitchen
 - Wellness
- Using the potential of the current sales channels for new product groups
 - Developing a new offer for the new sales channels



Promising consumer categories



- Developing an offer for the follow and services:
 - Security alarm systems
 - Intelligent house
 - Toys and child/mother
 - Small white goods
 - ActiveJet/Actis - returning to the growth path



Promising sales channels



New contracts

- **E-commerce:**
 - Launching sales in *retail*
 - New product groups in *custom-made*
 - Possibility to sell products in accordance with trends
 - Acquiring competence in trading in brand-new categories
- **Retail chains:**
 - New contracts
 - Expanding cooperation with current clients by adding new product groups

amazon

allegro



Example:



Promising sales channels



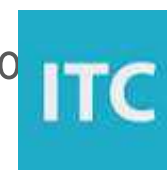
- **DIY:**

- New contracts
- Introducing new products into the offer of retail chains
- Expanding our own offer to provide products corresponding to the orders from retail chains



- **Export:**

- Participation in trade fairs, and the acquisition of new clients (ITC, Gamescom, CTIA)
- New directions for development: Scandinavia, North and South America
- Focusing on the following product groups: home electronics/white goods, toys, servers, computer networks, notebooks and ActiveJet



New companies and purchases



- Development of new entities in GK ACTION



ACTION GAMES LAB

WORLD
CLASH

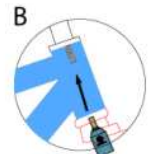
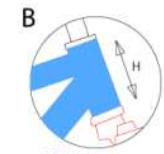
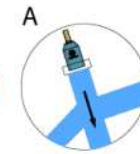
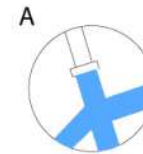
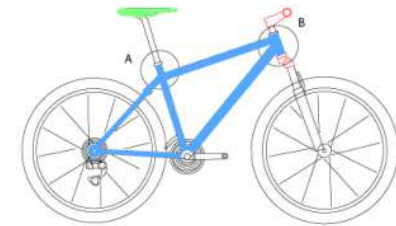


- Searching actively for companies in Poland to be purchased:
 - GOAL: accessing the offer of new-margin products and services

User's manual



blueanker



REMARK:
Check H dimensions, to better
to fit BLUEANKER.

REMARK:
Screw on inside blueanker,
use a flathead screwdriver.



ACTION

— innovative solutions —

Development of the Internet of
Things

Tenders



- **Tenders carried out in Q3 2015**

- National Police Headquarters - delivery of 6,000 notebooks to the company Koncept Sp. z o.o.

value: **PLN 8.8 M**

- **Preparation for tenders rescheduled to Q4 2016**

- Subsequent deliveries to CERN. Value: **\$1 M**
- Deliveries of equipment for the E-zdrowie (e-health) project. Value: **PLN 7 M**
- ...and others



The market appreciates us

- Three Action server installations appeared in the prestigious **TOP500 List of the world's most powerful supercomputers**



- The Action Educational Centre (Centrum Edukacyjne Action) received the **Golden IT Ace** Award (Złoty As IT) from Reseller News



- The President, Piotr Bieliński, appeared in the finals of the competition organised by **EY Entrepreneur o**



- ActiveJet was granted the **Consumer Quality Leader** award (Konsumencki Lider Jakości)



- ActiveJet received an honourable mention from **PC World** monthly

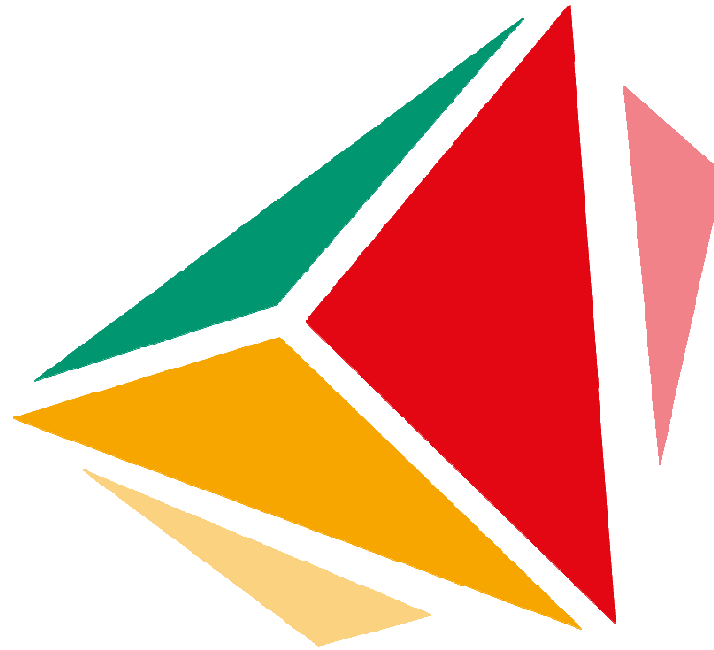


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What are the prospects?





▲ CREATE ADVANTAGES
THINK BIG ▼ MAKE PROFIT ▼

ACTION®

Thank you



A solid partner:



GIEŁDA PAPIERÓW
WARTOŚCIOWYCH
w Warszawie



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15. edycja
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