



CONSOLIDATED HALF-  
YEARLY REPORT  
FOR H1  
2023

29 SEPTEMBER 2023

## Table of contents

|   |    |
|---|----|
| .....   | 1  |
| I. Statement of the Management Board on the accuracy of the abbreviated consolidated half-yearly financial statements .....   | 4  |
| II. Statement of the Management Board on the entity authorised to audit financial statements .....  | 5  |
| III. Abbreviated consolidated half-yearly financial statements prepared in accordance with International Financial Reporting Standards for the period from 1 January 2023 to 30 June 2023 ..... | 6  |
| Abbreviated consolidated statement of comprehensive income .....  | 8  |
| Abbreviated consolidated statement of financial position .....  | 10 |
| Abbreviated statement of changes in consolidated equity .....   | 11 |
| Abbreviated consolidated cash flow statement .....  | 13 |
| Notes to the abbreviated consolidated half-yearly financial statements .....  | 14 |
| 1. General information .....  | 14 |
| 2. Information on the principles adopted for the preparation of the report ....   | 18 |
| 3. Major estimates and judgements .....   | 19 |
| 4. Information about business segments .....  | 21 |
| 5. Revenue and expenses .....   | 22 |
| 6. Contingent assets and liabilities .....  | 30 |
| 7. Implementation of arrangements .....   | 31 |
| 8. Events after the balance sheet date .....  | 31 |
| 9. Transactions with related parties .....  | 34 |
| 10. Other information on the consolidated half-yearly report .....  | 36 |
| IV. Statement of the Management Board concerning the accuracy of the condensed half-yearly financial statements .....   | 39 |
| V. Abbreviated half-yearly financial statements of ACTION S.A. for the period between 1 January 2023 and 30 June 2023 .....   | 40 |
| Abbreviated statement of comprehensive income .....   | 41 |
| Abbreviated statement of financial position .....   | 42 |
| Abbreviated statement of changes in equity .....  | 43 |
| Abbreviated cash flow statement .....   | 44 |

|   |    |
|---|----|
| Notes.....  | 45 |
| Restatement of the statement of financial position.....   | 50 |
| Restatement of the statement of comprehensive income .....  | 51 |
| Half-yearly report of the Management Board on the operations of the ACTION S.A.<br>Capital Group (Group) and ACTION S.A. (Company)..... | 57 |

## **I. Statement of the Management Board on the accuracy of the abbreviated consolidated half-yearly financial statements**

These abbreviated consolidated half-yearly financial statements and the comparative data have been drawn up in order to present the financial position, performance and cash flow as required by the International Financial Reporting Standards ("IFRS") approved by the EU, published and in force as at the balance sheet date and, with respect to matters not regulated by the IFRS, in compliance with the Accounting Act of 29 September 1994.

The abbreviated consolidated half-yearly financial statements of the ACTION S.A. Capital Group for the period ending 30 June 2023 include: an abbreviated consolidated statement of comprehensive income, an abbreviated consolidated statement of financial position, an abbreviated statement of changes in consolidated equity, an abbreviated consolidated cash flow statement and notes including a description of key accounting policies and selected explanatory notes

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 its knowledge, the abbreviated consolidated half-yearly financial statements and comparative data have been drawn up in compliance with the applicable accounting principles and present a true, accurate and fair view of the Group's economic and financial position and its financial result, and the half-yearly Management Report of the Group contains a true representation of the Group's growth, achievements and standing, including the description of basic risks and threats.

During the period covered by the abbreviated consolidated half-yearly financial statements, the Group companies, excluding ACTION S.A., kept their account books in line with the accounting policy determined by the Accounting Act of 29 September 1994 and regulations issued on its basis. The abbreviated consolidated half-yearly financial statements include adjustments not included in the accounts of Group entities made in order to bring the financial statements of these entities into conformity with IFRS. Since 1 January 2010, ACTION S.A. has kept its books in accordance with the International Financial Reporting Standards (IFRS) approved by the EU, issued and in force as at the balance sheet date, and, with respect to matters not regulated by the aforementioned standards, in accordance with the requirements of the Accounting Act of 29 September 1994.

---

Piotr Bieliński  
President of the Management Board

---

Sławomir Harazin  
Vice-President of the Management Board

Zamienie, 29 September 2023

## **II. Statement of the Management Board on the entity authorised to audit financial statements**

The Management Board declares that the auditing company, i.e. Grant Thornton Polska Prosta Spółka Akcyjna in Poznań, reviewing the abbreviated consolidated half-yearly financial statements of the ACTION S.A. Capital Group and the abbreviated half-yearly financial statements of ACTION S.A., was selected in accordance with the legal regulations and that this company and the statutory auditors conducting the review meet the conditions for issuing an impartial and independent report on the review of the abbreviated consolidated half-yearly financial statements of the Group and the review of the abbreviated half-yearly financial statements of the Company, in accordance with the applicable regulations and professional standards.

---

Piotr Bieliński  
President of the Management Board

---

Sławomir Harazin  
Vice-President of the Management Board

Zamienie, 29 September 2023

### III. Abbreviated consolidated half-yearly financial statements prepared in accordance with International Financial Reporting Standards for the period from 1 January 2023 to 30 June 2023

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

#### Selected consolidated financial data

| SELECTED CONSOLIDATED FINANCIAL DATA                             | in PLN k                |                         | in EUR k                |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | 01/01/2023 - 30/06/2023 | 01/01/2022 - 30/06/2022 | 01/01/2023 - 30/06/2023 | 01/01/2022 - 30/06/2022 |
| I. Net revenues from sales of products, goods and materials      | 1,146,273               | 1,115,263               | 248,488                 | 240,219                 |
| II. Gross profit/loss on sales                                   | 101,584                 | 97,375                  | 22,021                  | 20,974                  |
| III. Operating profit/loss                                       | 17,447                  | 22,802                  | 3,782                   | 4 911                   |
| IV. Net profit / loss attributable to the Company's shareholders | 14,431                  | 17,759                  | 3,128                   | 3,825                   |
| V. Net cash flow from operating activities                       | 42,795                  | 46,239                  | 9,277                   | 9,960                   |
| VI. Net cash flow from investment activities                     | -6,788                  | -697                    | 1,471                   | -150                    |
| VII. Net cash flow from financial activities                     | -28,281                 | -334                    | -6,131                  | -72                     |
| VIII. Net increases (decreases) in cash                          | 7,726                   | 45,208                  | 1,675                   | 9,737                   |
| IX. Profit / loss per ordinary share* (in PLN/EUR)               | 0.72                    | 0.89                    | 0.16                    | 0.19                    |
|  | <b>30/06/2023</b>       | <b>31/12/2022</b>       | <b>30/06/2023</b>       | <b>31/12/2022</b>       |
| X. Total assets  | 635,673                 | 648,017                 | 142,838                 | 138,173                 |
| XI. Liabilities  | 196,685                 | 205,338                 | 44,196                  | 43,783                  |
| XII. Long-term liabilities                                       | 72,075                  | 79,084                  | 16,196                  | 16,863                  |
| XIII. Short-term liabilities                                     | 124,610                 | 126,254                 | 28,000                  | 26,920                  |
| XIV. Equity attributable to the Company's shareholders           | 438,561                 | 443,101                 | 98,546                  | 94,480                  |
| XV. Share capital  | 2,004                   | 2,004                   | 450                     | 427                     |
| XVI. Weighted average number of shares** (quantity)              | 20,037,000              | 20,037,000              | 20,037,000              | 20,037,000              |
| XVII. Book value per share*** (in PLN/EUR)                       | 21.89                   | 22.11                   | 4.92                    | 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 - 30/06/2023 | 4.6130                              | 4.4503                                  | 4.7170                                  | 4.4503   |
| 01/01/2022 - 31/12/2022 | 4.6883                              | 4.5756                                  | 4.8698                                  | 4.6899   |
| 01/01/2022 - 30/06/2022 | 4.6427                              | 4.5756                                  | 4.6909                                  | 4.6806   |

\* Earnings 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 comprehensive income and cash flow statement were converted at the exchange rate being the arithmetic mean of the average exchange rates announced by the National Bank of Poland (NBP), in force on the last day of each month; this exchange rate for H1 2023 was EUR 1 = PLN 4.6130, and for H1 2022 was EUR 1 = PLN 4.6427
- items of the consolidated statement of financial position were converted at the average exchange rate published by the National Bank of Poland as at the balance sheet date; as at 30 June 2023, this exchange rate was EUR 1 = PLN 4.4503; as at 31 December 2022: EUR 1 = PLN 4.6899, and as at 30 June 2022: EUR 1 = PLN 4.6806.

## Abbreviated consolidated statement of comprehensive income

All revenues and costs relate to continuing operations

|   | Note       | period<br>from<br>01/01/2023<br>to 30/06/2023 | period<br>from<br>01/01/2022<br>to 30/06/2022 |
|---|------------|---|---|
| Sales revenue   | (5.2)      | 1,146,273                                     | 1,115,263                                     |
| Costs of products, goods and materials sold   | (5.3)      | -1,044,689                                    | -1,017,888                                    |
| <b>Gross profit/loss on sales</b>   |            | <b>101,584</b>                                | <b>97,375</b>                                 |
| Sales and marketing costs   | (5.3, 5.4) | -63,914                                       | -57,039                                       |
| General administration costs  | (5.3, 5.4) | -21,323                                       | 17,633  |
| Other operating revenue   | (5.5)      | 1,723   | 1,715   |
| Other expenses and losses   | (5.6)      | -623  | 1,616   |
| <b>Profit/loss on operating activities</b>  |            | <b>17,447</b>                                 | <b>22,802</b>                                 |
| Financial revenue   | (5.7)      | 2,060   | 663   |
| Financial costs   | (5.8)      | 1,450   | -1,599  |
| Share in profits (losses) of associates and joint ventures settled with the equity method                       |            | -327  | 220   |
| <b>Profit/loss before tax</b>   |            | <b>17,730</b>                                 | <b>22,086</b>                                 |
| Income tax  | (5.9)      | 3,316   | -4,318  |
| Profit/loss on continuing operations  |            | <b>14,414</b>                                 | <b>17,768</b>                                 |
| <b>Net profit/loss on discontinued operations</b>   |            | <b>0</b>                                      | <b>0</b>                                      |
| <b>Net profit/loss for the financial period</b>   |            | <b>14,414</b>                                 | <b>17,768</b>                                 |
| <b>Other components of comprehensive income</b>   |            |   |   |
| Other comprehensive income that will be reclassified to profit or loss, before tax                              |            | 2,280   | 0   |
| Other components – foreign exchange differences from conversion of a foreign operation                          |            | 0   | 989   |
| Other comprehensive income that will not be reclassified to profit or loss, before tax                          |            | 0   | 0   |
| Total other comprehensive income before tax   |            | 2,280   | 989   |
| Income tax connected with components of other comprehensive income which will be reclassified to profit or loss |            | -433  | 0   |
| <b>Other components of net comprehensive income that may be reclassified to profit or loss</b>                  |            | <b>1,847</b>                                  | <b>989</b>                                    |
| <b>Comprehensive income for the period</b>  |            | <b>16,261</b>                                 | <b>18,757</b>                                 |
| <b>Net profit/loss attributable to:</b>   |            |   |   |
| <b>Company's shareholders</b>   |            | <b>14,431</b>                                 | <b>17,759</b>                                 |
| non-controlling interests   |            | -17   | 9   |
| <b>Comprehensive income attributable to:</b>  |            |   |   |
| <b>Company's shareholders</b>   |            | <b>16,278</b>                                 | <b>18,748</b>                                 |
| non-controlling interests   |            | -17   | 9   |



**Profit/loss per share**

|  |             |             |
|--|-------------|-------------|
| Basic profit/loss on continuing operations   | <b>0.72</b> | <b>0.89</b> |
| Basic profit/loss on discontinued operations | 0.00        | 0.00        |

**Diluted profit / loss per share**

|  |             |             |
|--|-------------|-------------|
| Diluted profit / loss on continuing operations   | <b>0.72</b> | <b>0.89</b> |
| Diluted profit / loss on discontinued operations | 0.00        | 0.00        |

**Weighted average number of shares**

**Diluted number of shares**

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

Piotr Bieliński  
 President of the Management Board

Sławomir Harazin  
 Vice-President of the Management Board

Zamienie, 29 September 2023

## Abbreviated consolidated statement of financial position

|   | Note   | 30/06/2023     | 31/12/2022     | 30/06/2022     |
|---|--------|----------------|----------------|----------------|
| <b>ASSETS</b>   |        |                |                |                |
| <b>Non-current assets</b>                                       |        |                |                |                |
| Property, plant and equipment                                   | (5.10) | 135,720        | 138,238        | 137,467        |
| Goodwill  | (5.11) | 3,113          | 698            | 0              |
| Other intangible assets   |        | 6,396          | 5,628          | 5,478          |
| Investment real property  | (5.12) | 3,740          | 3,642          | 3,585          |
| Shares in associates measured with the equity method            |        | 407            | 844            | 74             |
| Deferred income tax assets                                      | (5.9)  | 0              | 0              | 238            |
| Trade and other receivables                                     |        | 3              | 0              | 0              |
| <b>Total fixed assets</b>                                       |        | <b>149,379</b> | <b>149,050</b> | <b>146,842</b> |
| <b>Current assets</b>   |        |                |                |                |
| Inventories   | (5.13) | 249,458        | 263,906        | 228,086        |
| Trade and other receivables                                     | (5.14) | 163,478        | 178,284        | 173,832        |
| Current income tax receivables                                  |        | 470            | 791            | 548            |
| Derivative financial instruments                                |        | 0              | 84             | 0              |
| Other financial assets  | (5.15) | 9,260          | 0              | 0              |
| Cash and cash equivalents                                       |        | 63,628         | 55,902         | 97,785         |
| <b>Total current assets</b>                                     |        | <b>486,294</b> | <b>498,967</b> | <b>500,251</b> |
| <b>Total assets</b>   |        | <b>635,673</b> | <b>648,017</b> | <b>647,093</b> |
| <b>EQUITY</b>   |        |                |                |                |
| Share capital   |        | 2,004          | 2,004          | 2,004          |
| Share premium   |        | 77,207         | 77,207         | 77,207         |
| Treasury shares   |        | 28,800         | -7,982         | 0              |
| Retained profit   |        | 386,303        | 371,872        | 341,419        |
| Other reserves  |        | 1,847          | 0              | 0              |
| <b>Equity attributable to the Company's shareholders</b>        |        | <b>438,561</b> | <b>443,101</b> | <b>420,630</b> |
| <b>Non-controlling interests</b>                                |        | <b>427</b>     | <b>-422</b>    | <b>-1,088</b>  |
| <b>Total equity</b>   |        | <b>438,988</b> | <b>442,679</b> | <b>419,542</b> |
| <b>LIABILITIES</b>  |        |                |                |                |
| Loans, borrowings and other liabilities on account of financing | (5.19) | 0              | 0              | 0              |
| Long-term lease liabilities                                     |        | 1,451          | 1,789          | 1,118          |
| Trade and other liabilities                                     |        | 66,148         | 73,208         | 83,634         |
| Deferred income tax provisions                                  | (5.9)  | 4,476          | 4,087          | 0              |
| <b>Long-term liabilities</b>                                    |        | <b>72,075</b>  | <b>79,084</b>  | <b>84,752</b>  |
| Trade and other liabilities                                     |        | 117,843        | 123,305        | 139,150        |
| Loans, borrowings and other liabilities on account of financing |        | 1,000          | 1,000          | 1,026          |
| Short-term lease liabilities                                    | (5.19) | 823            | 836            | 562            |
| Current income tax liabilities                                  |        | 3,619          | 0              | 0              |
| 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>124,610</b> | <b>126,254</b> | <b>142,799</b> |
| <b>Total liabilities</b>  |        | <b>196,685</b> | <b>205,338</b> | <b>227,551</b> |
| <b>Total equity and liabilities</b>                             |        | <b>635,673</b> | <b>648,017</b> | <b>647,093</b> |

Piotr Bieliński  
President of the Management Board

Sławomir Harazin  
Vice-President of the Management Board

Zamienie, 29 September 2023

## Abbreviated statement of changes in consolidated equity

### Statement of changes in consolidated equity for the period 01/01/2023 - 30/06/2023

|                             | 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>0</b>      | <b>0</b>      | <b>-20,818</b>  | <b>14,431</b>   | <b>1,847</b>   | <b>-4,540</b>  | <b>849</b>                                       | <b>-3,691</b>  |
| Issue of shares             | 0             | 0             | 0               | 0               | 0              | 0  | 0  | 0              |
| Acquisition of own shares   | 0             | 0             | -20,818         | 0               | 0              | -20,818  | 0  | -20,818        |
| Profit (loss)               | 0             | 0             | 0               | 14,431          | 0              | 14,431   | -17  | 14,414         |
| Other comprehensive income  | 0             | 0             | 0               | 0               | 1,847          | 1,847  | 0  | 1,847          |
| Total comprehensive income  | 0             | 0             | 0               | 14,431          | 1,847          | 16,278   | -17  | 16,261         |
| Other                       | 0             | 0             | 0               | 0               | 0              | 0  | 866  | 866            |
| <b>As at 30 June 2023</b>   | <b>2,004</b>  | <b>77,207</b> | <b>-28,800</b>  | <b>386,303</b>  | <b>1,847</b>   | <b>438,561</b>   | <b>427</b>                                       | <b>438,988</b> |

### Statement of changes in consolidated equity 01/01/2022 - 31/12/2023

|                               | 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 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>  |
| Issue of shares               | 0             | 0             | 0               | 0               | 0              | 0  | 0  | 0              |
| 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 comprehensive income    | 0             | 0             | 0               | 0               | 989            | 989  | 0  | 989            |
| Total comprehensive 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 - 30/06/2023**

|                             | 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 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>17,494</b>   | <b>989</b>     | <b>18,483</b>  | <b>9</b>   | <b>18,492</b>  |
| Issue of shares             | 0             | 0             | 0               | 0               | 0              | 0  | 0  | 0              |
| Acquisition of own shares   | 0             | 0             | 0               | 0               | 0              | 0  | 0  | 0              |
| Profit (loss)               | 0             | 0             | 0               | 17,759          | 0              | 17,759   | 9  | 17,768         |
| Other comprehensive income  | 0             | 0             | 0               | 0               | 989            | 989  | 0  | 989            |
| Total comprehensive income  | 0             | 0             | 0               | 17,759          | 989            | 18,748   | 9  | 18,757         |
| Other                       | 0             | 0             | 0               | -265            | 0              | -265   | 0  | -265           |
| <b>As at 30 June 2022</b>   | <b>2,004</b>  | <b>77,207</b> | <b>0</b>        | <b>341,419</b>  | <b>0</b>       | <b>420,630</b>   | <b>-1,088</b>                                    | <b>419,542</b> |

Piotr Bieliński  
President of the Management Board

Sławomir Harazin  
Vice-President of the Management Board

Zamienie, 29 September 2023

## Abbreviated consolidated cash flow statement

|  | period<br>from 01/01/2023<br>to 30/06/2023 | period<br>from 01/01/2022<br>to 30/06/2022 |
|--|--|--|
| <b>Cash flow from operating activities</b>   |  |  |
| <b>Cash flow from activities</b>   | <b>44,891</b>                              | <b>50,844</b>                              |
| <b>Gross profit/loss</b>   | <b>17,730</b>                              | <b>22,086</b>                              |
| <b>Adjustments:</b>  | <b>27,161</b>                              | <b>28,758</b>                              |
| Income tax   | 0  | 0  |
| Amortisation and depreciation of fixed and intangible assets   | 4,552                                      | 4,174                                      |
| Profit (loss) on investment activities   | 84   | 441  |
| Interest revenue   | -2,060                                     | -663                                       |
| Interest expenses  | 126  | 53   |
| Share in the net result of the associate   | -327                                       | 220  |
| Other  | 1,312                                      | 187  |
| Inventories  | 18,104                                     | 21,927                                     |
| Trade and other receivables  | 15,650                                     | 7,973                                      |
| Trade and other liabilities  | -10,280                                    | -5,554                                     |
| Income tax paid  | -2,096                                     | -4,605                                     |
| <b>Net cash flow from operating activities</b>   | <b>42,795</b>                              | <b>46,239</b>                              |
| <b>Cash flow from investment activities</b>  |  |  |
| Purchase of tangible fixed assets, intangible assets, investment real properties and other fixed assets          | -4,444                                     | -1,748                                     |
| Income from sales of tangible fixed assets, intangible assets, investment real properties and other fixed assets | 0  | 0  |
| Other investment inflows/outflows  | -2,344                                     | 1,051                                      |
| <b>Net cash flow from investment activities</b>  | <b>-6,788</b>                              | <b>-697</b>                                |
| <b>Cash flow from financing activities</b>   |  |  |
| Inflows from the issue of shares   | 0  | 0  |
| Acquisition of own shares  | -20,818                                    | 0  |
| Acquisition of debt securities   | -6,980                                     | 0  |
| Loans and borrowings received  | 0  | 0  |
| Repayment of loans and borrowings  | 0  | 0  |
| Dividends paid   | 0  | 0  |
| Interest paid  | -34  | -53  |
| Payments of liabilities under financial lease agreements   | -449                                       | -281                                       |
| Other financial inflows/outflows   | 0  | 0  |
| <b>Net cash flow from financial activities</b>   | <b>-28,281</b>                             | <b>-334</b>                                |
| <b>Net decrease/increase in cash before effects of foreign exchange differences</b>                              | <b>7,726</b>                               | <b>45,208</b>                              |
| Effects of changes in foreign exchange rates concerning cash and cash equivalents                                | 0  | 0  |
| <b>Net increase/decrease in cash</b>   | <b>7,726</b>                               | <b>45,208</b>                              |
| Opening balance of cash  | 55,902                                     | 52,577                                     |
| <b>Closing balance of cash</b>   | <b>63,628</b>                              | <b>97,785</b>                              |

Piotr Bieliński  
President of the Management Board

Sławomir Harazin  
Vice-President of the Management Board

Zamienie, 29 September 2023

## Notes to the abbreviated consolidated half-yearly financial statements

### 1. General information

|                                |  |
|--------------------------------|--|
| 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  |

#### 1.1. Company's business

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

ACTION S.A. is the parent company, with its registered office in Zamienie, ul. Dawidowska 10, Poland. On 2 August 2004, ACTION Spółka Akcyjna was entered in the Register of Entrepreneurs of the National Court Register under KRS number 0000214038 under the 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, i.e. ACTION spółka z ograniczoną odpowiedzialnością, was entered in the Register of Entrepreneurs under KRS number 0000066230 under the decision of the District Court in Warsaw, Commercial Division of the National Court Register, of 28 November 2001.

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

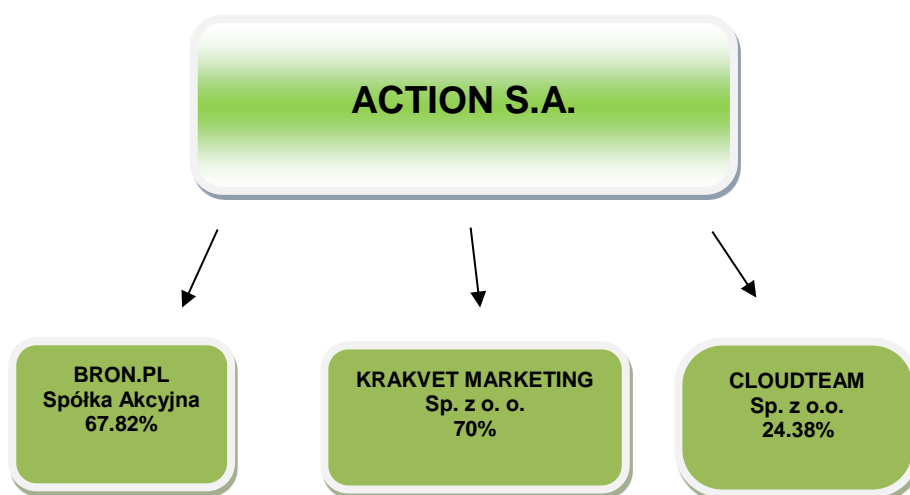
On 1 August 2016, the District Court for the Capital City of Warsaw, 10th Commercial Division for Bankruptcy and Restructuring, decided to initiate the restructuring of ACTION Spółka Akcyjna under the Restructuring Law Act of 15 May 2015 (Journal of Laws of 2022, item 2309).

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

Under the decision of the District Court for the Capital City of Warsaw in Warsaw, 18th Division for Bankruptcy and Restructuring (file No XVIII GRs 1/19), of 7 August 2020 the composition agreement 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 at 30 June 2023)



#### Composition of the Group:

##### parent company:

ACTION S.A. with its registered office in Zamienie

##### subsidiaries:

KRAKVET MARKETING Sp. z o. o. (formerly SFERIS MARKETING Sp. z o.o.) with its registered office

in Zamienie subsidiary (70%)<sup>1</sup>

– BRON.PL Spółka Akcyjna with its registered office in Warsaw - subsidiary (67.82%)<sup>2</sup>

<sup>1</sup> KRAKVET MARKETING Sp. z o. o. (formerly SFERIS MARKETING Sp. z o. o.) with its registered office in Zamienie was incorporated and consolidated as of 12 December 2011. The change of name took place on 22 July 2022.

<sup>2</sup> BRON.PL Spółka Akcyjna, with its registered office in Warsaw, was consolidated as of 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 brick and mortar shops in the field of unlicensed weapons, survival and personal protection.

##### associates:

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

<sup>3</sup> CLOUDTEAM Sp. z o. o. with its registered office in Warsaw – a 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 composition of the Group during the period under review**

On 20 June 2023 and 22 June 2023, the Company entered into agreements for the acquisition of a total of 733,334 shares in BRON.PL S.A. and agreed on the essential terms of the transaction for commercial and investment cooperation.

Pursuant to the aforementioned agreement and the transaction arrangements, the Issuer acquired a majority block of shares in BRON.PL Spółka Akcyjna with its registered office in Warsaw, at the same time obtaining a dominant position in this entity.

### **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



## Entities included in the consolidation as at 30 June 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      | associate  | 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 June 2023   | 67.82%                           | 67.82%  |

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

### **2.1.General principles**

The abbreviated consolidated half-yearly financial statements of the ACTION S.A. Capital Group for H1 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

Key accounting principles applied in the preparation of these consolidated financial statements are presented below. These principles have been applied consistently throughout the reporting periods, unless stated otherwise.

### **2.2.Going concern**

These abbreviated consolidated half-yearly financial statements of the ACTION S.A. Capital Group have been prepared on the assumption that the Company would continue as a going concern in the foreseeable future, not shorter than 12 months from the balance sheet date.

### **2.3.General principles of preparation**

These abbreviated consolidated half-yearly financial statements have been prepared on a historical cost basis, except for financial assets held for trading (derivatives), which are measured at fair value.

The half-year condensed consolidated financial statements do not include all the information and disclosures required in the consolidated annual financial statements and should be read in conjunction with the Group's consolidated financial statements prepared in accordance with IFRS for the financial year ended 31 December 2022.

### **2.4.Statement of compliance**

These abbreviated consolidated half-yearly financial statements for the period from 1 January 2023 to 30 June 2023 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union, in particular International Accounting Standard 34 Interim Financial Reporting, which is applicable to interim reporting. As at the approval date of these 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").

### **2.5.Basic accounting principles**

The accounting principles (policy) applied in the preparation of this abbreviated consolidated half-yearly financial statement for H1 2023 are consistent with those applied in the preparation of the consolidated annual 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.

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

### **Functional and presentation currency**

The Polish zloty is the functional currency of the parent company as well as the presentation currency for these consolidated financial statements.

These abbreviated consolidated half-yearly financial statements were prepared in Polish zloty ("PLN") and all amounts are presented in thousands of PLN, unless specified otherwise.

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

Drawing up the abbreviated consolidated half-yearly financial statements requires the Management Board of the Company to make certain estimates because specific data included in the financial statements cannot be measured in a precise manner. 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. The estimates made at 30 June 2023 may be thus revised 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.Useful lives of property, plant and equipment and of intangible assets**

As at 30 June 2023, Group companies assessed whether there were indications of impairment of investments in subsidiaries (goodwill and other 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 June 2023, Group companies assessed whether there were 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.Impairment write-down on inventories**

The Group estimated the write-down on inventories to realisable net selling prices based on the analysis of the margin of goods sold in the period immediately preceding the balance sheet date and the mark-up of the selling costs. A write-down on slow-moving inventories is also estimated.

### **3.4.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 which 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 judgement 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 amount of the object of the dispute in this case was PLN 29,115k. 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. The amount of the object of the dispute in this case was PLN 3,442k. 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 arising from the aforementioned decisions which are the subject of the described court proceedings and the previously conducted VAT and CIT proceedings recognised in the books as at 30 June 2023 amounts to PLN 8,693k. The Issuer explains that the presented amount takes into account the current balances of provisions for these liabilities, pursuant to the degree of reduction resulting from the legally approved composition agreement in the Company's remedial proceedings, and the composition-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.

### 3.5.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.

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

As at each balance sheet date, the Group measures the following:

- post-transactional discounts due from suppliers but not received by the balance sheet date. The estimates are based on the terms of discounts agreed with the suppliers and evidenced by contracts or other agreements, at amounts confirmed by the suppliers.

-post-transactional discounts due to customers but not paid by the balance sheet date. The estimates are based on the terms of granting discounts agreed with the customers and evidenced by contracts or other agreements.

### 3.7.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 layout 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 from this business exceeds a total of 65% of the value generated by the Capital 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<br>01/01/2023 –<br>30/06/2023 | For the period<br>01/01/2022 –<br>30/06/2022 |
|---|--|--|
| Revenue from sales of products (services) | 14,895                                       | 14,243                                       |
| Revenue from sales of goods and materials | 1,131,378                                    | 1,101,020                                    |
|   | <b>1,146,273</b>                             | <b>1,115,263</b>                             |

### 5.3. Expenses by type

|   | For the period<br>01/01/2023 – 30/06/2023 | For the period<br>01/01/2022 – 30/06/2022 |
|---|---|---|
| Amortisation and depreciation of fixed and intangible assets  | 4,552                                     | 4,174                                     |
| Costs of employee benefits  | 36,111                                    | 34,865                                    |
| Consumption of materials and energy   | 6,753                                     | 6,702                                     |
| Outsourcing   | 28,332                                    | 24,026                                    |
| Taxes and charges   | 953                                       | 734                                       |
| Advertising and representation expenses   | 5,313                                     | 3,501                                     |
| Property and personal insurance   | 747                                       | 519                                       |
| Other expenses by type  | 298                                       | 151                                       |
| Value of goods and materials sold, of which:  | 1,044,689                                 | 1,017,888                                 |
| – write-down on inventory   | -1,978                                    | -682                                      |
| Total costs of products, goods and materials sold, sales and marketing expenses as well as general management costs | <b>1,127,748</b>                          | <b>1,092,560</b>                          |

### 5.4. Costs of employee benefits

|                                    | For the period<br>01/01/2023 – 30/06/2023 | For the period<br>01/01/2022 – 30/06/2022 |
|------------------------------------|---|---|
| Payroll                            | 29,940                                    | 29,016                                    |
| Social security and other benefits | 6,171                                     | 5,849                                     |
|                                    | <b>36,111</b>                             | <b>34,865</b>                             |

## 5.5. Other operating revenue and profits

|                                     | For the period<br>01/01/2023 – 30/06/2023 | For the period<br>01/01/2022 – 30/06/2022 |
|-------------------------------------|---|---|
| Surplus of foreign exchange gains   | 0   | 0   |
| Revenue from overdue liabilities    | 492                                       | 23  |
| Revenue from compensations received | 685                                       | 1,242                                     |
| Revenue from provisions released    | 433                                       | 380                                       |
| Other revenue                       | 113                                       | 70  |
|                                     | <b>1,723</b>                              | <b>1,715</b>                              |

## 5.6. Other expenses and losses

|  | For the period<br>01/01/2023 – 30/06/2023 | For the period<br>01/01/2022 – 30/06/2022 |
|--|---|---|
| Surplus of foreign exchange losses             | 0   | 0   |
| Costs of damages paid                          | 594                                       | 1,205                                     |
| Costs of write-downs on receivables            | 0   | 0   |
| Costs of receivables written off               | 16  | 54  |
| Costs of donations given                       | 0   | 167                                       |
| Costs of court proceedings                     | 2   | 31  |
| Other costs                                    | 11  | 146                                       |
| Loss on disposal of non-financial fixed assets | 0   | 13  |
|  | <b>623</b>                                | <b>1,616</b>                              |

## 5.7. Financial revenue

|  | For the period<br>01/01/2023 – | For the period<br>01/01/2022 – |
|--|--------------------------------|--------------------------------|
| Interest on cash and cash equivalents (deposits) | 1,456                          | 650                            |
| Interest on cash and cash equivalents (bonds)    | 581                            | 0                              |
| Interest on borrowings and receivables           | 23                             | 13                             |
|  | <b>2,060</b>                   | <b>663</b>                     |

## 5.8. Financial costs

|   | For the period<br>01/01/2023 –<br>30/06/2023 | For the period<br>01/01/2022 – 30/06/2022 |
|---|--|---|
| Interest on loans and borrowings                    | 126  | 33  |
| Interest on leases                                  | 34   | 19  |
| Interest and discount of factoring                  | 0  | 15  |
| Costs of measurement of financial instruments       | 83   | 441                                       |
| Discount on liabilities covered by the arrangements | 1,207  | 1,090                                     |
|   | <b>1,450</b>                                 | <b>1,599</b>                              |

## 5.9. Income tax

|              | For the period<br>01/01/2023 – | For the period<br>01/01/2022 – 30/06/2022 |
|--------------|--------------------------------|---|
| Current tax  | 3,360                          | 2,172                                     |
| Deferred tax | -44                            | 2,146                                     |
|              | <b>3,316</b>                   | <b>4,318</b>                              |

## Deferred tax

Deferred income tax assets and provisions recognised in the abbreviated consolidated half-yearly statement of financial position are a sum of the values contained in the statements of individual consolidated companies of the Group. The deferred income tax assets and provisions are subject to offsetting at the level of standalone statements due to the homogeneity of these items and the manner of their settlement.

Value of deferred income tax subject to offsetting:

|  | 30/06/2023    | 31/12/2022    |
|--|---------------|---------------|
| Deferred income tax assets:                                  |               |               |
| –deferred income tax assets falling due within 12 months     | 4,671         | 6,970         |
|  | <b>4,671</b>  | <b>6,970</b>  |
| Deferred income tax provisions:                              |               |               |
| –deferred income tax provisions falling due within 12 months | 9,147         | 11,057        |
|  | <b>9,147</b>  | <b>11,057</b> |
| <b>Deferred income tax assets</b>                            | <b>4,671</b>  | <b>6,970</b>  |
| <b>Deferred income tax provisions</b>                        | <b>9,147</b>  | <b>11,057</b> |
| <b>Deferred income tax assets/provisions (on balance)</b>    | <b>-4,476</b> | <b>-4,087</b> |

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

|  | 30/06/2023    | 31/12/2022    |
|--|---------------|---------------|
| <b>Opening balance</b>                   | <b>-4,087</b> | <b>2,384</b>  |
| Credit of/charge on the financial result | 44            | -6,471        |
| Increase/decrease in equity              | -433          | 0             |
| <b>Closing balance</b>                   | <b>-4,476</b> | <b>-4,087</b> |



**Deferred income tax assets**

|   | Foreign<br>exchange<br>losses | Impairment<br>write-down on<br>inventories | Provision for<br>costs of the<br>period | Provision for<br>unused holiday | Impairment<br>write-down<br>on<br>receivables | Losses from<br>previous years | Total        |
|---|-------------------------------|--|---|---------------------------------|---|-------------------------------|--------------|
| <b>As at 1 January 2023 at the 19% rate</b>   | <b>263</b>                    | <b>494</b>                                 | <b>6,001</b>                            | <b>212</b>                      | <b>0</b>                                      | <b>0</b>                      | <b>6,970</b> |
| Credit of/charge on the financial result in connection with any change in balance of temporary differences and tax loss | -263                          | -162                                       | -1,914                                  | 40                              | 0   | 0                             | 2,299        |
| Increase/decrease in equity   | 0                             | 0  | 0                                       | 0                               | 0   | 0                             | 0            |
| <b>As at 30 June 2023 at the 19% rate</b>   | <b>0</b>                      | <b>332</b>                                 | <b>4,087</b>                            | <b>252</b>                      | <b>0</b>                                      | <b>0</b>                      | <b>4,671</b> |
| <b>As at 1 January 2022 at the 19% rate</b>   | <b>0</b>                      | <b>579</b>                                 | <b>7,353</b>                            | <b>357</b>                      | <b>0</b>                                      | <b>0</b>                      | <b>8,289</b> |
| Credit of/charge on the financial result in connection with any change in balance of temporary differences and tax loss | 263                           | -85  | 1,352                                   | -145                            | 0   | 0                             | 1 319        |
| Increase/decrease in equity   | 0                             | 0  | 0                                       | 0                               | 0   | 0                             | 0            |
| <b>As at 31 December 2022 at the 19% rate</b>   | <b>263</b>                    | <b>494</b>                                 | <b>6,001</b>                            | <b>212</b>                      | <b>0</b>                                      | <b>0</b>                      | <b>6,970</b> |

**Deferred income tax provisions**

|   | Foreign<br>exchange<br>gains | Interests<br>accrued | Bonuses from<br>suppliers | Lease        | Other        | Total         |
|---|------------------------------|----------------------|---------------------------|--------------|--------------|---------------|
| <b>As at 1 January 2023 at the 19% rate</b>                                     | <b>16</b>                    | <b>0</b>             | <b>7,283</b>              | <b>2,096</b> | <b>1,662</b> | <b>11,057</b> |
| Credit of/charge on the financial result due to change in temporary differences | -9                           | 0                    | -1,962                    | -168         | -204         | -2,343        |
| Increase/decrease in equity   | 0                            | 0                    | 0                         | 0            | 433          | 433           |
| <b>As at 30 June 2023 at the 19% rate</b>                                       | <b>7</b>                     | <b>0</b>             | <b>5,321</b>              | <b>1,928</b> | <b>1,891</b> | <b>9,147</b>  |
| <b>As at 1 January 2022 at the 19% rate</b>                                     | <b>150</b>                   | <b>0</b>             | <b>1,763</b>              | <b>2,430</b> | <b>1,562</b> | <b>5,905</b>  |
| Credit of/charge on the financial result due to change in temporary differences | -134                         | 0                    | 5,520                     | -334         | 100          | 5,152         |
| Increase/decrease in equity   | 0                            | 0                    | 0                         | 0            | 0            | 0             |
| <b>As at 31 December 2022 at the 19% rate</b>                                   | <b>16</b>                    | <b>0</b>             | <b>7,283</b>              | <b>2,096</b> | <b>1,662</b> | <b>11,057</b> |

## 5.10. Property, plant and equipment

During the reporting period, the Group incurred capital expenditure of PLN 4,444k. Investment expenses incurred in the reporting period were related to the conversion and adaptation of the building which is the registered office of ACTION S.A.

## 5.11. Goodwill

|                                    | 30/06/2023   | 31/12/2022 | 30/06/2022 |
|------------------------------------|--------------|------------|------------|
| <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>   |

## 5.12. Investment real property

Investment real properties include:

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

As at 30 June 2023, the carrying amount of real properties is PLN 3,740k. Revenue from rental of real properties in the reporting period was PLN 135k. 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 10,335k.

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.

## 5.13. Inventories

|                                       | 30/06/2023     | 31/12/2022     | 30/06/2022     |
|---------------------------------------|----------------|----------------|----------------|
| Materials                             | 0              | 0              | 0              |
| Goods                                 | 253,383        | 270,139        | 235,171        |
| Advances on deliveries                | 0              | 0              | 0              |
|                                       | <b>253,383</b> | <b>270,139</b> | <b>235,171</b> |
| Impairment write-downs on inventories | <b>-3,925</b>  | <b>-6,233</b>  | <b>-7,085</b>  |
| <b>Inventories</b>                    | <b>249,458</b> | <b>263,906</b> | <b>228,086</b> |

## Impairment write-downs on inventories

|  | 30/06/2023    | 31/12/2022    | 30/06/2022    |
|--|---------------|---------------|---------------|
| <b>Opening balance of write-down on inventories</b>    | <b>-6,233</b> | <b>-7,767</b> | <b>-7,767</b> |
| Created (Costs of products, goods and materials sold)  | -1,334        | -2,792        | -3,198        |
| Utilised (Costs of products, goods and materials sold) | 0             | 0             | 0             |
| Released (Costs of products, goods and materials sold) | 3,642         | 4,326         | 3 880         |
| <b>Closing balance of write-down on inventories</b>    | <b>-3,925</b> | <b>-6,233</b> | <b>-7,085</b> |

The write-down was released following the revaluation of trading goods based on inventory ageing. Inventories are valued at the price lower of the following two values: purchase price (manufacturing cost) or net realisable value.

## 5.14. Impairment write-downs on trade and other receivables

|  | 30/06/2023    | 31/12/2022    | 30/06/2022    |
|--|---------------|---------------|---------------|
| <b>Opening balance of impairment write-down on receivables</b> | <b>-6,736</b> | <b>-9,826</b> | <b>-9,826</b> |
| Created  | -881          | -2,041        | -304          |
| Utilised   | 53            | 2,963         | 3,184         |
| Released   | 1,250         | 2,168         | 591           |
| <b>Closing balance of impairment write-down on receivables</b> | <b>-6,314</b> | <b>-6,736</b> | <b>-6,355</b> |

## 5.15. Other financial assets

|   | 30/06/2023   | 31/12/2022 | 30/06/2022 |
|---|--------------|------------|------------|
| Corporate bonds                             | 9,260        | 0          | 0          |
| <b>Other financial assets – derivatives</b> | <b>9,260</b> | <b>0</b>   | <b>0</b>   |
| Short-term                                  | <b>9,260</b> | <b>0</b>   | <b>0</b>   |

## 5.16. Impairment write-downs on long-term financial assets

|   | 30/06/2023 | 31/12/2022 | 30/06/2022 |
|---|------------|------------|------------|
| <b>Opening balance of impairment write-down on long-term financial assets</b> | <b>0</b>   | <b>0</b>   | <b>0</b>   |
| Created   | 0          | 0          | 0          |
| Utilised  | 0          | 0          | 0          |

|   |          |          |          |
|---|----------|----------|----------|
| Released  | 0        | 0        | 0        |
| <b>Closing balance of impairment write-down on long-term financial assets</b> | <b>0</b> | <b>0</b> | <b>0</b> |

### 5.17. Write-downs on short-term financial assets

|  | 30/06/2023    | 31/12/2022    | 30/06/2022    |
|--|---------------|---------------|---------------|
| <b>Opening balance of impairment write-down on short-term financial assets</b> | <b>-2,158</b> | <b>-2,158</b> | <b>-2,158</b> |
| Created  | 0             | 0             | 0             |
| Utilised   | 0             | 0             | 0             |
| Released   | 0             | 0             | 0             |
| <b>Closing write-down on short-term financial assets</b>                       | <b>-2,158</b> | <b>-2,158</b> | <b>-2,158</b> |

### 5.18. Liabilities due to purchase of property, plant and equipment

As at the reporting date, the Group does not have any liabilities due to purchase of property, plant and equipment.

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

|                               | 30/06/2023   | 31/12/2022   | 30/06/2022   |
|-------------------------------|--------------|--------------|--------------|
| <b>Long-term</b>              |              |              |              |
| Investment loan               | 0            | 0            | 0            |
| Lease liabilities             | 1,451        | 1,789        | 1,118        |
| Borrowings                    | 0            | 0            | 0            |
| Bond liabilities              | 0            | 0            | 0            |
|                               | <b>1,451</b> | <b>1,789</b> | <b>1,118</b> |
| <b>Short-term</b>             |              |              |              |
| Overdraft and investment loan | 0            | 0            | 0            |
| Lease liabilities             | 823          | 836          | 562          |
| Borrowings                    | 1 000        | 1 000        | 1,026        |
| Bond liabilities              | 0            | 0            | 0            |
|                               | <b>1,823</b> | <b>1,836</b> | <b>1,588</b> |
| <b>Total</b>                  | <b>3,274</b> | <b>3,625</b> | <b>2,706</b> |

## Age structure of liabilities due to loans and borrowings and other financing liabilities

|   | 30/06/2023   | 31/12/2022   | 30/06/2022   |
|---|--------------|--------------|--------------|
| <b>Liabilities with maturity on the balance sheet day</b> |              |              |              |
| Up to 1 year  | 1,823        | 1,836        | 1,588        |
| 1 to 5 years  | 1,451        | 1,789        | 1,118        |
| Over 5 years  | 0            | 0            | 0            |
| <b>Total</b>  | <b>3,274</b> | <b>3,625</b> | <b>2,706</b> |

## Lease liabilities

|   | 30/06/2023   | 31/12/2022   | 30/06/2022   |
|---|--------------|--------------|--------------|
| <b>Nominal value of minimum lease payments</b>                          |              |              |              |
| Up to 1 year  | 1,054        | 920          | 618          |
| 1 to 5 years  | 1,859        | 1,968        | 1,230        |
| Over 5 years  | 0            | 0            | 0            |
| <b>Total financial lease liabilities – total minimum lease payments</b> | <b>2,913</b> | <b>2,888</b> | <b>1,848</b> |
| Financial costs due to financial lease                                  | <b>639</b>   | <b>263</b>   | <b>168</b>   |
| <b>Current value of minimum lease payments</b>                          |              |              |              |
| Up to 1 year  | 823          | 836          | 562          |
| 1 to 5 years  | 1,451        | 1,789        | 1,118        |
| Over 5 years  | 0            | 0            | 0            |
| <b>Total current value of minimum lease payments</b>                    | <b>2,274</b> | <b>2,625</b> | <b>1,680</b> |

## 5.20.Net cash inflows from operating activities

|   | For the period<br>01/01/2023 – 30/06/2023 | For the period<br>01/01/2022 – 30/06/2022 |
|---|---|---|
| <b>Gross profit for the financial year</b>                        | <b>17,730</b>                             | <b>22,086</b>                             |
| Adjustments:  | <b>25,065</b>                             | <b>24,153</b>                             |
| – Income tax  | 0   | 0   |
| – Income tax paid   | -2,096                                    | -4,605                                    |
| – Depreciation/amortisation of fixed assets and intangible assets | 4,552                                     | 4,174                                     |
| – (Profits) losses on investment activities, of which:            | 84  | 441                                       |
| Impairment write-downs  | 0   | 0   |
| (Profits) losses on measurement of financial instruments          | 84  | 441                                       |
| (Profits) losses on sale of non-financial assets                  | 0   | 0   |
| (Profits) losses on sale of financial assets                      | 0   | 0   |
| (Profits) losses on foreign exchange differences                  | 0   | 0   |
| (Profits) losses from compensations received                      | 0   | 0   |
| Other   | 0   | 0   |
| – Interest revenue  | -2,060                                    | -663                                      |
| – Interest expenses   | 126                                       | 53  |

|  |               |               |
|--|---------------|---------------|
| – Share in (profits) losses of entities measured using the equity method | -327          | 220           |
| – Other, including:  | <b>1,312</b>  | <b>187</b>    |
| Profits (losses) attributable to non-controlling shareholders            | 17            | -9            |
| Change in provisions   | 0             | 0             |
| (Profits) losses on foreign exchange differences                         | 0             | 0             |
| Valuation of commercial bonds  | 2,280         | 0             |
| Change in prepayments/accruals   | 0             | 0             |
| Change in employee benefit liabilities                                   | 212           | 184           |
| Change in capital due to adjustment of write-down                        | 0             | 0             |
| Other adjustments  | -1,197        | 12            |
| Changes in working capital:  | <b>23,474</b> | <b>24,346</b> |
| – Inventories  | 18,104        | 21,927        |
| – Trade and other receivables  | 15,650        | 7,973         |
| – Trade and other liabilities  | -10,280       | -5,554        |
| <b>Net cash inflows from operating activities</b>                        | <b>42,795</b> | <b>46,239</b> |

## 5.21. Other investment inflows/outflows

|  | For the period<br>01/01/2023 –<br>30/06/2023 | For the period<br>01/01/2022 – 30/06/2022 |
|--|--|---|
| Other investment inflows/outflows, of which:     |  |   |
| – Acquisition of interests                       | -4,240                                       | 0   |
| – Interest received                              | 1,896  | 375                                       |
| – Dividends received                             | 0  | 146                                       |
| – Cash received from liquidation of a subsidiary | 0  | 530                                       |
|  | <b>-2,344</b>                                | <b>1,051</b>                              |

## 6. Contingent assets and liabilities

As at 30 June 2023, the Group had contingent receivables due to the repayment of receivables in the amount of PLN 3,625k. Hedging liabilities under agreements signed as at the reporting date and not reflected in the half-yearly condensed consolidated financial statements of the Group amounted to PLN 8,391k as at 30 June 2023 and PLN 5,561k as at 31 December 2022.

|                                      | 30/06/2023    | 31/12/2022   | 30/06/2022    |
|--------------------------------------|---------------|--------------|---------------|
| <b>1. Contingent receivables</b>     | <b>3,625</b>  | <b>2,213</b> | <b>5,174</b>  |
| 1.1. From other entities (due to)    | 3,625         | 2,213        | 5,174         |
| – guarantees and sureties received   | 3,625         | 2,213        | 5,174         |
| <b>2. Contingent liabilities</b>     | <b>8,391</b>  | <b>5,561</b> | <b>9,039</b>  |
| 1.1. To other entities (due to)      | 8,391         | 5,651        | 9,039         |
| – guarantees and sureties granted    | 8,391         | 5,651        | 9,039         |
| – 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>12,016</b> | <b>7,864</b> | <b>14,213</b> |

## 7. Implementation of arrangements

By order of the District Court for the Capital City of Warsaw in Warsaw, 18th Division for Bankruptcy and Restructuring (file No XVIII GRs 1/19), of 7 August 2020, the composition agreement in the remedial proceedings of the Company was approved (hereinafter referred to as the: "Scheme of Arrangements"). 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 Scheme of Arrangements.

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

In the period from the date when the Scheme of Arrangements became effective, i.e. from 15 December 2020, until the balance sheet date, i.e. 30 June 2023, the Issuer made repayments in the total amount of PLN 82,825k, EUR 1,991k and USD 4,244k in the form of cash payments. These amounts include one-off payments (Group II and III of the Scheme of Arrangements) and eleven instalments paid to Group I creditors and the first part of the payment to Group IV creditors. A total of PLN 61,255k, EUR 1,478k and USD 4,895k remain to be paid under the Scheme of Arrangements as at the balance sheet day, i.e. 30 June 2023.

During the reporting period, the Company repaid the 10th and 11th instalments as part of the implementation of the scheme of arrangements.

After the balance sheet date, i.e. from 20 to 28 September, the Issuer repaid the 12th instalment for the Creditors under the Scheme of Arrangements.

## 8. Events after the balance sheet date

The Management Board of ACTION S.A. (the Company, the Issuer) announced that, on 6 July 2023, the decision of the District Court for the capital city of Warsaw in Warsaw, 18th Commercial Division for Bankruptcy and Restructuring Cases dated 27 June 2023 on the change of the supervisor for the execution of the scheme of arrangements in the Company's restructuring proceedings (file no. XVIII GRs 1/19 (d. X GRs 8/16)) was delivered to the registered office of the Issuer. Under the decision, the previous supervisor for the execution of the scheme of arrangements, Krzysztof Gołąb (licence number 140), was replaced by KGS Restrukturyzacje Spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw (0000811685).

The Management Board of ACTION S.A. (hereinafter also referred to as the "Issuer", "Company") notified 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 amendments to the Company's share capital reduction by the amount of PLN 130,000 of amendments to the Articles of Association, and thus, redemption of 1,300,000 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. The redeemed Own Shares were acquired by the Company in transactions concluded in the period from 28 October 2022 to 5 May 2023, with the consent of the Shareholders, under agreements concluded with the Shareholders, for the purpose of cancelling these shares and as part of the implementation of the Company's own share purchase scheme adopted and conducted under Resolution No. 3 of the Company's Extraordinary General Meeting of 26 October 2022 on authorising the Company's Management Board to purchase the Company's own shares (as amended by Resolution No. 3 of the Company's Extraordinary General Meeting of 14 April 2023) and Resolution No. 5 of the Extraordinary General Meeting of the Company's Shareholders of 26 October 2022 on the creation of a reserve capital to finance the acquisition of own shares (amended by Resolution No. 4 of the Extraordinary General Meeting of the Company's Shareholders of 14 April 2023), adopted pursuant to Article 362§1 item 8 and Article 362§2 in connection with Article 348§1 of the Code of Commercial Companies, as well as Executive Resolutions of the Company's Management Board No. 1 of

28 October 2022, No. 1 of 8 December 2022, No. 1 of 23 January 2023, No. 1 of 14 April 2023 and No. 1 of 22 May 2023 ("Scheme"). In connection with the redemption of the Redeemed Own Shares, the Company's share capital shall be reduced by the amount corresponding to the total nominal value of the Redeemed Own Shares, i.e. by PLN 130,000 (in words: one hundred and thirty thousand zlotys), from PLN 2,003,700 (in words: two million, three thousand, seven hundred zlotys) to PLN 1,873,700 (in words: one million, eight hundred and seventy three thousand, seven hundred zloty). The Company's share capital shall be reduced without the convocation procedure referred to in 20 Article 456§1 of the Commercial Companies Code, pursuant to Article 360§2 (2) and §3 of the Commercial Companies Code, in connection with section 4 of this resolution, as the Remuneration was paid exclusively from the amount specified in Article 348§1 of the Commercial Companies Code, and the respective Redeemed Own Shares were fully covered. 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 the share capital reduction, the existing designation for all series of shares of the Company, i.e. shares issued in series A to D, was replaced by a uniform designation in respect of all shares of the Company as series A – D shares. The share capital reduction, the redemption of equity shares and the related amendments to the Articles of Association of the Company took place on the basis of Resolution No. 14 and Resolution No. 15 of the Ordinary General Meeting of the Company of 21/06/2023. Thus, the existing § 6(1) of the Articles of Association reads: 1 The share capital of the Company amounts to PLN 1,873,700 (in words: one million, eight hundred and seventy three thousand, seven hundred zloty) and is divided into 18,737,000 (eighteen million, seven hundred and thirty seven thousand) ordinary bearer shares of a nominal value of PLN 0.10 (ten grosz) each, designated as series A – D.

On 17 August 2023, pursuant to Article 69 (1) (2) of the Act of 29 July 2005 on Public Offering and the Conditions for Introducing Financial Instruments into the Organised Trading System and on Public Companies (Journal of Laws No. 184, item 1539, as amended), The Management Board of ACTION S.A. (hereinafter also referred to as the "Company", "Issuer") announced a reduction of the Issuer's share below the 5% threshold of the total number of votes of ACTION S.A. with its registered office in Zamienie. Pursuant to current report no. 71/2023, on 16 August 2023, the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division of the National Court Register registered changes in respect of the reduction of the Company's share capital by PLN 130,000, amendments to the Articles of Association, and, as a result, the redemption of 1,300,000 own shares of ACTION S.A. (representing the same number of votes at the General Meeting), as well as the related change of the hitherto 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 of the redemption of the Redeemed Own Shares, the Company's share capital was reduced by the amount corresponding to the total nominal value of the Redeemed Own Shares, i.e. by PLN 130,000. (in words: one hundred and thirty thousand zlotys), from the amount of PLN 2,003,700 (in words: two million three thousand seven hundred zlotys), to the amount of PLN 1,873,700 (in words: one million eight hundred and seventy-three thousand seven hundred zlotys). 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 vested in all the Company's shares is 18,737,000. Prior to the aforementioned changes, the Issuer held 1,878,790 own shares, representing 9.3766% of the Company's share capital, with the right to 1,878,790 votes at the General Meeting, representing 9.3766% of the total number of votes. After the redemption has been settled, the Issuer holds 578,790 own shares with the right to 578,790 votes at the General Meeting, which is 3.09% of the share capital and 3.09% of the total number of votes at the General Meeting. The Issuer announces that there are no subsidiaries of ACTION S.A. which would hold the shares of the Company and financial instruments related to shares of ACTION S.A. referred to in Article 69, section 4, item 7-9 of the Public Offering Act, as well as there are no persons referred to in Article 87, section 1, item 3, letter c of the Public Offering Act. The Issuer would like to remind you that shares purchased as part of the buy-back scheme are subject to the limitation referred to in Article 364 § 2 of the Commercial Companies Code.

On 17 August 2023, The Management Board of ACTION S.A. (hereinafter also referred to as the "Company", "Issuer") announced that, on 17 August 2023, it received a notification pursuant to Article 69, section 1, item 1 in connection with Article 69a, section 1, item 1 of the Act of 29 July 2005 on Public Offering and the Conditions for Introducing Financial Instruments to the Organised Trading System and on Public Companies (consolidated text of Journal of Laws of 2021, item 1983, hereinafter referred to as the: "Act") on the exceeding by Piotr Bieliński (hereinafter referred to as the "Shareholder") of 20% of the total number of votes in the Company. In accordance with the content of the above notification, as a result of the registration of changes with respect to the reduction of the Company's share capital by the amount of PLN 130,000,



amendments to the Articles of Association, and the redemption of 1,300,000 own shares of the Issuer (representing the same number of votes at the General Meeting), of which the Issuer informed the market in current report no. 71/2023 dated 16 August 2023, the proportion of the Shareholder's share in the total number of votes of the Issuer changed. The Shareholder holds 3,811,749. shares in ACTION S.A. The registration of redemption of the Issuer's own shares resulted in the Shareholder exceeding the threshold of 20% of the total number of votes at the General Meeting of ACTION S.A. In his notification, the Shareholder indicates that: - before the aforementioned changes, he directly held 3,811,749 shares, entitling him to 3,811,749 votes at the General Meeting, which constituted 19.02% of the share capital and 19.02% of the total number of votes at the General Meeting of ACTION S.A. - after the settlement of the aforementioned changes, he directly holds 3,811,749 shares of the Issuer, entitling him to 3,811,749 votes at the General Meeting, which is 20.34% of share in the initial capital and 20.34% of the total number of votes at the General Meeting of ACTION S.A. At the same time, the notification mentions that there are no subsidiaries of the Shareholder holding shares of the Company as referred to in Article 69, section 4, item 7-9 of the Act, or persons referred to in Article 87, section 1, item 3(c) of the Act.

On 18 August 2023, the Management Board of ACTION S.A. (the Company, the Issuer), with reference to current report no. 39/2022 of 19 August 2022, informed that on 17 August 2023, the Issuer's registered office received the Masovian Voivode's decision no. 3285/2023 of 3 August 2023 determining the amount of compensation due in the amount of PLN 286,301.00 (increased by the amount of PLN 14,315.05, constituting 5% of the value of the real estate in accordance with Article 18 para. 1e of the Act of 10/04/2003 on special principles of preparation and implementation of investments in the field of public roads) for the ownership right to the real estate located in the Piaseczyn district, Lesznowola municipality, precinct 0032 Zakłady Zamienie, designated as plot of land no. 3/6 (separated from plot of land no. 3/3) with a surface area of 0.0663 ha intended for the implementation of a public purpose investment under the name: "Construction of the southern exit from Warsaw of the S-7 expressway on the section from the Lotnisko junction on the southern ring road of Warsaw to the ring road of Grójec - Section "A" from the "Lotnisko" junction (without junction) to the "Lesznowola" junction (with junction) [...]. Stage II." Pursuant to Article 12 section 4f of the Act of 10 April 2003, compensation for real estate taken over for roads is due to existing creditors of the real estate, perpetual usufructuaries of the real estate and persons who have limited property rights to the real estate. In view of the above, compensation in the amount of PLN 286,301.00 will be paid to the current composition creditors holding a mortgage on the property covered by Land and Mortgage Register No. WA11/00050570/1, while compensation in the amount of PLN 14,315.05 for the release of the property on time will be paid to the Issuer. The decision is not final. The Issuer has indicated that the property designated as plot No. 3/6 is located on the outskirts of the office and warehouse complex and will be used to extend the exit from the public road to the Company's premises. The construction of S-7 expressway and its support roads in the direct location of the Company's business centre will certainly contribute to the Issuer's better communication with contractors.

On 29 August 2023, the Management Board of ACTION S.A. (Company, Issuer) announced that, on 29 August 2023, the Company received information that the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych S.A.) on 29 August 2023, having considered the application of ACTION S.A., had decided to perform the operation of withdrawal of 1,300,000 series A-D shares of the Issuer marked with the ISIN PLACTIN00018 code from the depository system, due to their redemption, about which the Company informed the market in current report 71/2023 of 16 August 2023. According to the information provided by the National Depository for Securities S.A., the shares will be withdrawn from the depository system on 1 September 2023.

On 27 September 2023, the Management Board of ACTION S.A., with its registered office in Zamienie ("Company", "Issuer") announced that on 27 September 2023 it received a request from a Shareholder of the Company representing more than one twentieth of the share capital of the Company, i.e. Lemuria Partners Sicav P.L.C. of Malta ("Shareholder"), a request to convene an Extraordinary General Meeting of the Company and to include the following matters on the agenda of that meeting:

1. Opening of the Extraordinary General Meeting.
2. Electing the Chairperson of the Extraordinary General Meeting.
3. Confirming whether the Extraordinary General Meeting has been duly convened and is capable of adopting resolutions.
4. Adopting the agenda.
5. Adopting a resolution to amend Resolution No. 3 of the Extraordinary General Meeting of Shareholders of Action S.A. of 26 October 2022 by increasing the number of shares subject to the Own Share Purchase

Scheme to 2,500,000 (two million five hundred thousand) and increasing the total value of funds allocated for the purchase of own shares under the Own Share Purchase Scheme to PLN 43,000,000 (forty three million).

6. Adopting a resolution to amend Resolution No. 5 of the Extraordinary General Meeting of Shareholders of Action S.A. of 26 October 2022, by increasing to PLN 43,000,000 (forty-three million zloty) the reserve capital earmarked for financing the acquisition of own shares by the Company.
7. Adopting a resolution on incurring the costs of convening and holding the Extraordinary General Meeting.
8. Closing the Extraordinary General Meeting

The Issuer has announced that, together with the above request, the Shareholder has submitted draft resolutions on the matters to be discussed at the meeting. In addition, as justification for the proposed resolutions, the Shareholder indicated that the purpose of increasing the share buy-back scheme is to increase the return on the Company's equity and to reduce the number of total shares in the Company to the pre-2020 state. The text of the Shareholder's proposal together with the draft resolutions is attached to this report.

The Company will announce in a separate current report that the Issuer's Management Board has convened an Extraordinary General Meeting in accordance with the applicable legal provisions.

On 28 September 2023, the Management Board of ACTION S.A. announced the convening of an Extraordinary General Meeting of Shareholders of ACTION S.A. for 26 October 2023 at 11.00 a.m. at the premises of ACTION S.A. with the following agenda:

1. Opening of the Extraordinary General Meeting.
2. Electing the Chairperson of the Extraordinary General Meeting.
3. Confirming whether the Extraordinary General Meeting has been duly convened and is capable of adopting resolutions.
4. Adopting the agenda.
5. Notifying the General Meeting of the reasons or purpose of the acquisition of own shares, the number and nominal value of these shares, their share in the share capital, as well as the value of the consideration paid in exchange for the acquired shares.
6. Adopting a resolution to amend Resolution No. 3 of the Extraordinary General Meeting of Shareholders of Action S.A. of 26 October 2022 by increasing the number of shares subject to the Own Share Purchase Scheme to 2,500,000 (two million five hundred thousand) and increasing the total value of funds allocated for the purchase of own shares under the Own Share Purchase Scheme to PLN 43,000,000 (forty three million).
7. Adopting a resolution to amend Resolution No. 5 of the Extraordinary General Meeting of Shareholders of Action S.A. of 26 October 2022, by increasing to PLN 43,000,000 (forty-three million zloty) the reserve capital earmarked for financing the acquisition of own shares by the Company.
8. Adopting a resolution on incurring the costs of convening and holding the Extraordinary General Meeting.
9. Closing the Extraordinary General Meeting

## 9. Transactions with related parties

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.

## 9.1. Transactions made between the Group's companies and related entities 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 June 2023 and for the period 1 January 2023 – 30 June 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.***               | 185         | 0           | 0             | 0                   |
| TYTANID Sp. z o.o.****                    | 0           | 0           | 0             | 0                   |
| <b>Total</b>                              | <b>185</b>  | <b>0</b>    | <b>0</b>      | <b>0</b>            |

Data as at 30 June 2022 and for the period 1/01/2022 – 30/06/2022

|   | 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

## 9.2. Transactions with associated entities consolidated using the equity method

Data as at 30 June 2023 and for the period 1 January 2023 – 30 June 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 June 2022 and for the period 1/01/2022 – 30/06/2022

|                       | 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>            |

### 9.3. Remuneration of managers

#### Remuneration paid and due

|   | For the period<br>01/01/2023 –<br>30/06/2023 | For the period<br>01/01/2022 – 30/06/2022 |
|---|--|---|
| <b>1. Management Board, including:</b>                    |  |   |
| Piotr Bieliński – President of the Management Board,      | 665  | 766                                       |
| Sławomir Harazin – Vice-President of the Management Board | 658  | 751                                       |
| Kazimierz Lasecki – President of the Management Board     | 27   | 20  |
|   | <b>1,350</b>                                 | <b>1,537</b>                              |

### 9.4. Remuneration of senior management

|   | For the period<br>01/01/2023 –<br>30/06/2023 | For the period<br>01/01/2022 – 30/06/2022 |
|---|--|---|
| Remuneration of the Members of the Company's Management Board | 1,350  | 1,537                                     |
| Remuneration of key executive personnel                       | 3,357  | 3,079                                     |
|   | <b>4,707</b>                                 | <b>4,616</b>                              |

Key executive personnel includes the Company's Directors.

## 10. Other information on the consolidated half-yearly report

### 10.1. 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 series ACT01040717 with a nominal value of PLN 10,000 each and a total nominal value of PLN 100,000,000. The bonds were issued pursuant to Article 9(3) of the Bonds Act (non-public issue) and under the Bonds Issue Scheme of ACTION S.A.

Claims on account of redemption and interest on series ACT01040717 bonds whose payment dates was after the opening date of the remedial proceedings were subject to a composition agreement by virtue of the law pursuant to Article 150(1)(1) of the R.L.

Following the final approval of the composition agreement in the remedial proceedings of the Issuer, claims on account of series ACT01040717 bonds are to be repaid on the terms of Article 2.4 of the scheme of arrangements.

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

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 composition agreement became final, i.e. on 15 December 2020, and thus the scheme of arrangements 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 KDPW 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 thousand, accounting for 7.5% of the principal amount, will be repaid in cash on the last working day of the calendar month following the quarter in which the last quarterly instalment payable to Group I Creditors was due. This amount is presented in the item "Long-term liabilities subject to composition repayments".

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

## 10.2. Information on the dividend paid

In 2022, the Company has a profit. According to the resolution adopted on 20 June 2023, the entire profit of the year 2022 is allocated to the reserve capital.

## 10.3. Shareholding structure

List of the Company's shareholders with an indication of the number of shares held, their percentage share in the share capital and in the total number of votes as at 30 June 2023:

Shareholding structure above 5% share in the share capital

| 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             | 19.02%                                | 3,811.749       | 19.02%                         |
| Aleksandra Matyka             | 3,093.457             | 15.44%                                | 3,093.457       | 15.44%                         |
| Wojciech Wietrzykowski        | 1,199.390             | 5.99%                                 | 1,199.390       | 5.99%                          |
| Lemuria Partners Sicav P.L.C. | 1,250,000             | 6.24%                                 | 1,250,000       | 6.24%                          |
| Teamworks FZE                 | 1,272,114             | 6.35%                                 | 1,272,114       | 6.35%                          |

## 10.4. Court proceedings

The Company has instituted court proceedings to recover receivables of PLN 174,446k from one of the banks as 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.

There are currently court proceedings pending in respect of a tax case concerning the determination of the VAT liability for August, September, October and November 2010. The company has filed a complaint against this decision with the administrative court. The amount of the object of the dispute in this case was PLN 3,442k. 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 amount of the object of the dispute in this case was PLN 29,115k. 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 3.4 Taxes included in the in the books as at 30 June 2023 amounts to PLN 8,693k. 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 composition agreement in the Company's remedial proceedings, and the composition-related instalments repaid to date.

### **10.5. Error adjustments**

These financial statements do not contain adjustments of errors from previous periods.

### **10.6. Repayments of loans and borrowings**

During the period covered by the statements, the Group's companies repaid loans and borrowings in a timely manner.

### **10.7. Material risk factors related to the Group's operations**

Significant risk factors related to the Group's operations are described in Note 2.2 *Business Continuity*, Note 3.4 *Taxes* and in items 23, 27-30 and 38 of the *Half-Yearly Report on Operations of the ACTION S.A. Capital Group (Group) and ACTION SA. (Company)*.

#### **IV. Statement of the Management Board concerning the accuracy of the condensed half-yearly financial statements**

The abbreviated half-yearly financial statements of ACTION S.A. for the period ending 30 June 2023 include: abbreviated statement of comprehensive income, abbreviated statement of financial position, abbreviated statement of changes in equity, abbreviated statement of cash flow and selected explanatory information.

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

- to the best of its knowledge, the half-yearly condensed financial statements and comparative data have been drawn up in compliance with the applicable accounting principles and present a true, accurate and fair view of the Company's economic and financial position and its financial result, and the half-yearly statement of the Management Board on the Company's operations contains a true representation of the Company's growth, achievements, and standing, including the description of basic risks and threats.

During the period covered by the financial statements, the Company kept its account books in accordance with the International Financial Reporting Standards ("IFRS"), as approved by the EU, issued and applicable as at the balance sheet date and, in matters not regulated by those Standards, in accordance with the Accounting Act of 29 September 1994.

---

Piotr Bieliński  
President of the Management  
Board

---

Sławomir Harazin  
Vice-President of the Management  
Board

Zamienie, 29 September 2023

## V. Abbreviated half-yearly financial statements of ACTION S.A. for the period between 1 January 2023 and 30 June 2023

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

| SELECTED SEPARATE FINANCIAL DATA                               | in PLN k                |                         | in EUR k                |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | 01/01/2023 - 30/06/2023 | 01/01/2022 - 30/06/2022 | 01/01/2023 - 30/06/2023 | 01/01/2022 - 30/06/2022 |
| I. Net revenues from sales of products, goods and materials    | 1,140,130               | 1,115,269               | 247,156                 | 240,220                 |
| II. Gross profit/loss on sales                                 | 99,146                  | 97,219                  | 21,493                  | 20,940                  |
| III. Operating profit/loss                                     | 17,322                  | 23,519                  | 3,755                   | 5,066                   |
| IV. Net profit/loss attributable to the Company's shareholders | 14,899                  | 18,995                  | 3,230                   | 4,091                   |
| V. Net cash flow from operating activities                     | 42,228                  | 47,133                  | 9,154                   | 10,152                  |
| VI. Net cash flow from investment activities                   | -6,178                  | -1,051                  | -1,339                  | -226                    |
| VII. Net cash flow from financial activities                   | -28,281                 | -315                    | -6,131                  | -68                     |
| VIII. Net increases (decreases) in cash                        | 7,769                   | 45,767                  | 1,684                   | 9,858                   |
| IX. Profit per ordinary share* (in PLN/EUR)                    | 0.74                    | 0.95                    | 0.16                    | 0.20                    |
|  | As at 30/06/2023        | As at 31/12/2022        | As at 30/06/2023        | As at 31/12/2022        |
| X. Total assets  | 631,375                 | 646,353                 | 141,872                 | 137,818                 |
| XI. Liabilities  | 193,439                 | 204,345                 | 43,467                  | 43,571                  |
| XII. Long-term liabilities                                     | 71,724                  | 79,084                  | 16,117                  | 16,863                  |
| XIII. Short-term liabilities                                   | 121,715                 | 125,261                 | 27,350                  | 26,709                  |
| XIV. Equity attributable to the Company's shareholders         | 437,936                 | 442,008                 | 98,406                  | 94,247                  |
| XV. Share capital  | 2,004                   | 2,004                   | 450                     | 427                     |
| XVI. Weighted average number of shares** (quantity)            | 20,037,000              | 20,037,000              | 20,037,000              | 20,037,000              |
| XVII. Book value per share*** (in PLN/EUR)                     | 21.86                   | 22.06                   | 4.91                    | 4.70                    |

#### 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 - 30/06/2023 | 4.6130                              | 4.4503                                  | 4.7170                                  | 4.4503   |
| 01/01/2022 - 31/12/2022 | 4.6883                              | 4.5756                                  | 4.8698                                  | 4.6899   |
| 01/01/2022 - 30/06/2022 | 4.6427                              | 4.5756                                  | 4.6909                                  | 4.6806   |

\* 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 National Bank of Poland (NBP), in force on the last day of each month.

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

- items concerning the statement of comprehensive income and the cash flow statement were translated at an exchange rate being the arithmetic mean of the average exchange rates published by the National Bank of Poland, applicable on the last day of each month; for H1 2023 this exchange rate was as follows: EUR 1 = PLN 4.6130, for H1 2022 was EUR 1 = PLN 4.6427;
- items in the statement of financial position were converted at the average exchange rate announced by the National Bank of Poland, applicable on the balance sheet date; as at 30 June 2023, this exchange rate was as follows: EUR 1 = PLN 4.4503; as at 31 December 2022 – EUR 1 = PLN 4.6899 and as at 30 June 2022: EUR 1 = PLN 4.6806.



## Abbreviated statement of comprehensive income

All revenues and costs relate to continuing operations

|  | period<br>from<br>01/01/2023<br>to 30/06/2023 | period<br>from 01/01/2022<br>to 30/06/2022 |
|--|---|--|
| Sales revenue  | 1,140,130                                     | 1,115,269                                  |
| Costs of products, goods and materials sold  | -1,040,984                                    | -1,018,050                                 |
| <b>Gross profit on sales</b>   | <b>99,146</b>                                 | <b>97,219</b>                              |
| Sales and marketing costs  | -62,335                                       | -56,941                                    |
| General administration costs   | -20,538                                       | -17,591                                    |
| Other operating revenue  | 1,661   | 2,448                                      |
| Other expenses and losses  | -612  | 1,616                                      |
| <b>Operating profit/loss</b>   | <b>17,322</b>                                 | <b>23,519</b>                              |
| Financial revenue  | 2,213   | 1,360                                      |
| Financial costs  | -1,324  | -1,566                                     |
| <b>Profit/loss before tax</b>  | <b>18,211</b>                                 | <b>23,313</b>                              |
| Income tax   | -3,312  | -4,318                                     |
| <b>Net profit/loss on continuing operations</b>  | <b>14,899</b>                                 | <b>18,995</b>                              |
| <b>Net profit/loss on discontinued operations</b>  | <b>0</b>                                      | <b>0</b>                                   |
| <b>Net profit/loss for the financial period</b>  | <b>14,899</b>                                 | <b>18,995</b>                              |
| <b>Other components of comprehensive income</b>  |   |  |
| Other comprehensive income that will be reclassified to profit or loss, before tax             | 2,280   | 0  |
| Income tax   | -433  | 0  |
| <b>Other components of net comprehensive income that may be reclassified to profit or loss</b> | <b>1,847</b>                                  | <b>0</b>                                   |
| <b>Comprehensive income for the period</b>   | <b>16,746</b>                                 | <b>18,995</b>                              |
| <b>Profit/loss per share</b>   |   |  |
| Basic profit/loss on continuing operations   | <b>0.74</b>                                   | <b>0.95</b>                                |
| Basic profit/loss on discontinued operations   | 0.00  | 0.00                                       |
| <b>Diluted profit / loss per share</b>   |   |  |
| Diluted profit / loss on continuing operations   | <b>0.74</b>                                   | <b>0.95</b>                                |
| Diluted profit / loss on discontinued operations   | 0.00  | 0.00                                       |
| <b>Weighted average number of shares</b>   | <b>20,037,000</b>                             | <b>20,037,000</b>                          |
| <b>Diluted number of shares</b>  | <b>20,037,000</b>                             | <b>20,037,000</b>                          |

Piotr Bieliński  
President of the Management  
Board

Sławomir Harazin  
Vice-President of the Management  
Board

Zamienie, 29 September 2023

## Abbreviated statement of financial position

|   | 30/06/2023     | 31/12/2022     | 30/06/2022     |
|---|----------------|----------------|----------------|
| <b>ASSETS</b>   |                |                |                |
| Property, plant and equipment                                   | 135,720        | 138,238        | 137,467        |
| Goodwill  | 0              | 0              | 0              |
| Other intangible assets   | 5,851          | 5,648          | 5,498          |
| Investment real property  | 3,740          | 3,642          | 3,585          |
| Financial assets  | 4,740          | 500            | 0              |
| Other financial assets  | 0              | 0              | 0              |
| Deferred income tax assets                                      | 0              | 0              | 238            |
| Trade and other receivables                                     | 0              | 0              | 0              |
| <b>Non-current assets</b>                                       | <b>150,051</b> | <b>148,028</b> | <b>146,788</b> |
| Inventories   | 245,812        | 263,562        | 228,086        |
| Trade and other receivables                                     | 162,802        | 178,177        | 173,724        |
| Current income tax receivables                                  | 470            | 791            | 548            |
| Derivative financial instruments                                | 0              | 84             | 0              |
| Other financial assets  | 9,260          | 500            | 0              |
| Cash and cash equivalents                                       | 62,980         | 55,211         | 97,657         |
| <b>Current assets</b>   | <b>481,324</b> | <b>498,325</b> | <b>500,015</b> |
| <b>Total assets</b>   | <b>631,375</b> | <b>646,353</b> | <b>646,803</b> |
| <b>EQUITY</b>   |                |                |                |
| Share capital   | 2,004          | 2,004          | 2,004          |
| Share premium   | 77,207         | 77,207         | 77,207         |
| Treasury shares   | -28,800        | -7,982         | 0              |
| Retained profit   | 385,678        | 370,779        | 341,038        |
| Other reserves  | 1,847          | 0              | 0              |
| <b>Total equity</b>   | <b>437,936</b> | <b>442,008</b> | <b>420,249</b> |
| <b>LIABILITIES</b>  |                |                |                |
| Loans, borrowings and other liabilities on account of financing | 0              | 0              | 0              |
| Lease liabilities   | 1,451          | 1,789          | 1,118          |
| Trade and other liabilities                                     | 65,797         | 73,208         | 83,634         |
| Deferred income tax provisions                                  | 4,476          | 4,087          | 0              |
| <b>Long-term liabilities</b>                                    | <b>71,724</b>  | <b>79,084</b>  | <b>84,752</b>  |
| Trade and other liabilities                                     | 119,567        | 123,312        | 139,179        |
| Loans, borrowings and other liabilities on account of financing | 0              | 0              | 0              |
| Lease liabilities   | 823            | 836            | 562            |
| Current income tax liabilities                                  | 0              | 0              | 0              |
| 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>121,715</b> | <b>125,261</b> | <b>141,802</b> |
| <b>Total liabilities</b>  | <b>193,439</b> | <b>204,345</b> | <b>226,554</b> |
| <b>Total equity and liabilities</b>                             | <b>631,375</b> | <b>646,353</b> | <b>646,803</b> |

Piotr Bieliński  
President of the Management  
Board

Sławomir Harazin  
Vice-President of the Management  
Board

Zamienie, 29 September 2023

## Abbreviated 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>0</b>      | <b>0</b>      | <b>-20,818</b>  | <b>14,899</b>   | <b>1,847</b>   | <b>-4,072</b>  |
| Acquisition of own shares   | 0             | 0             | -20,818         | 0               | 0              | -20,818        |
| Total comprehensive income  | 0             | 0             | 0               | 14,899          | 1,847          | 16,746         |
| Other                       | 0             | 0             | 0               | 0               | 0              | 0              |
| <b>As at 30 June 2023</b>   | <b>2,004</b>  | <b>77,207</b> | <b>-28,800</b>  | <b>385,678</b>  | <b>1,847</b>   | <b>437,936</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 comprehensive income    | 0             | 0             | 0               | 49,491          | 0              | 49,491         |
| Other                         | 0             | 0             | 0               | -755            | 0              | -755           |
| <b>As at 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>322,043</b>  | <b>0</b>       | <b>401,254</b> |
| Changes in equity:          | <b>0</b>      | <b>0</b>      | <b>0</b>        | <b>18,995</b>   | <b>0</b>       | <b>18,995</b>  |
| Total comprehensive income  | 0             | 0             | 0               | 18,995          | 0              | 18,995         |
| Other                       | 0             | 0             | 0               | 0               | 0              | 0              |
| <b>As at 30 June 2022</b>   | <b>2,004</b>  | <b>77,207</b> | <b>0</b>        | <b>341,038</b>  | <b>0</b>       | <b>420,249</b> |

Piotr Bieliński  
President of the Management  
Board

Sławomir Harazin  
Vice-President of the Management  
Board

Zamienie, 29 September 2023

## Abbreviated cash flow statement

|   | period<br>from 01/01/2023<br>to 30/06/2023 | period<br>from 01/01/2022<br>to 30/06/2022 |
|---|--|--|
| <b>Cash flow from operating activities</b>                                    |  |  |
| <b>Gross profit/loss for the financial period</b>                             | <b>44,324</b>                              | <b>51,738</b>                              |
| <b>Adjustments:</b>   | <b>18,211</b>                              | <b>23,313</b>                              |
| Income tax  | 0  | 0  |
| Amortisation and depreciation of fixed and intangible assets                  | 4,501                                      | 4,122                                      |
| Profit (loss) on investment activities  | 84   | 441  |
| Interest revenue  | -2,213                                     | -684                                       |
| Interest expenses   | 34   | 34   |
| Other   | 2,059                                      | 184  |
| Changes in working capital:   |  |  |
| Inventories   | 17,750                                     | 21,927                                     |
| Trade and other receivables   | 15,054                                     | 7,957                                      |
| Trade and other liabilities   | -11,156                                    | -5,556                                     |
| Income tax paid   | -2,096                                     | -4,605                                     |
| <b>Net cash flow from operating activities</b>                                | <b>42,228</b>                              | <b>47,133</b>                              |
| <b>Cash flow from investment activities</b>                                   |  |  |
| Acquisition of property, plant and equipment and intangible assets            | -4,444                                     | -1,748                                     |
| 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   | -1,734                                     | 697  |
| <b>Net cash flow from investment activities</b>                               | <b>-6,178</b>                              | <b>-1,051</b>                              |
| <b>Cash flow from financing activities</b>                                    |  |  |
| Inflows from the issue of shares  | 0  | 0  |
| Acquisition of own shares   | -20,818                                    | 0  |
| Acquisition of debt securities  | -6,980                                     | 0  |
| Issue of debt securities  | 0  | 0  |
| Loans and borrowings received   | 0  | 0  |
| Repayment of loans and borrowings   | 0  | 0  |
| Dividends paid  | 0  | 0  |
| Interest paid   | -34  | -34  |
| Payments of liabilities under financial lease agreements                      | -449                                       | -281                                       |
| Other financial inflows/outflows  | 0  | 0  |
| <b>Net cash flow from financial activities</b>                                | <b>-28,281</b>                             | <b>-315</b>                                |
| <b>Net increase/decrease in cash</b>  | <b>7,769</b>                               | <b>45,767</b>                              |
| Opening balance of cash   | 55,211                                     | 51,890                                     |
| Foreign exchange gains (losses) on measurement of cash                        | 0  | 0  |
| <b>Closing balance of cash</b>  | <b>62,980</b>                              | <b>97,657</b>                              |

Piotr Bieliński  
President of the Management  
Board

Sławomir Harazin  
Vice-President of the Management  
Board

## Notes

### 1. Going concern

The abbreviated half-yearly financial statement of ACTION S.A. has been drawn up on the assumption that the Company will continue its business activities in the foreseeable future, not shorter than 12 months from the balance sheet date.

### 2. Tax risk

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 which 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 many other entities in the IT sector, ACTION S.A. recognises the risks associated with intensified tax inspections and verification activities in the area of correctness of tax settlements.

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

– on 22 June 2016, the Company received a decision of the Head of the Tax Office in Olsztyn concerning the audit procedure of the accuracy of the declared tax bases and the correctness of VAT for individual settlement periods from July 2011 to January 2012. The decision was upheld by a decision of the Head of the Tax Chamber in Warsaw of 24 October 2016 (which the Company announced 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 judgement of the Provincial Administrative Court in Warsaw. The judgement of the Supreme Administrative Court is final and non-appealable. The Company did not agree with the judgement and filed an appeal with the European Court of Human Rights. The amount of the object of the dispute in this case was PLN 29,115k. 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. The amount of the object of the dispute in this case was PLN 3,442k. 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 arising from the aforementioned decisions which are the subject of the described court proceedings and the previously conducted VAT and CIT proceedings recognised in the books as at 30 June 2023 amounts to PLN 8,693k. The Issuer explains that the presented amount takes into account the current balances of provisions for these liabilities, pursuant to the degree of reduction resulting from the legally approved composition agreement in the Company's remedial proceedings, and the composition-related instalments repaid to date.

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

### **3. Basic accounting principles**

Key accounting principles are described in *Note 2.5* of the Consolidated financial statements.

### **4. Revenue and expenses**

#### **4.1 Seasonal nature of sales**

The seasonal nature of sales is described in *Note 5.1* of the Consolidated financial statements.

#### **4.2 Property, plant and equipment**

During the period covered by the report, the Company incurred investment expenses of PLN 4,444k.

#### **4.3 Investment real property**

Investment real properties are described in *Note 5.12* of the Consolidated financial statements.

#### **4.4 Liabilities arising from the purchase of property, plant and equipment**

As at the reporting date, the Company does not have any liabilities arising from the purchase of property, plant and equipment.

## 5. Material 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:

|  | 30/06/2023    | 31/12/2022    |
|--|---------------|---------------|
| Deferred income tax assets:                                  |               |               |
| –deferred income tax assets falling due within 12 months     | 4,671         | 6,970         |
|  | <b>4,671</b>  | <b>6,970</b>  |
| Deferred income tax provisions:                              |               |               |
| –deferred income tax provisions falling due within 12 months | 9,147         | 11,057        |
|  | <b>9,147</b>  | <b>11,057</b> |
| <b>Deferred income tax assets</b>                            | <b>4,671</b>  | <b>6,970</b>  |
| <b>Deferred income tax provisions</b>                        | <b>9,147</b>  | <b>11,057</b> |
| <b>Deferred income tax assets/provisions (on balance)</b>    | <b>-4,476</b> | <b>-4,087</b> |

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

|  | 30/06/2023    | 31/12/2022    |
|--|---------------|---------------|
| Opening balance                          | -4,087        | 2,384         |
| Credit of/charge on the financial result | 44            | -6,471        |
| Increase/decrease in equity              | -433          | 0             |
| <b>Closing balance</b>                   | <b>-4,476</b> | <b>-4,087</b> |

## 6. Write-downs on assets

### 6.1. Impairment write-downs on long-term financial assets

|   | 30/06/2023    | 31/12/2022     | 30/06/2022     |
|---|---------------|----------------|----------------|
| <b>Opening balance of impairment write-down on long-term financial assets</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>Closing balance of impairment write-down on long-term financial assets</b> | <b>-2,897</b> | <b>-2,897</b>  | <b>-2,897</b>  |

## 6.2. Write-down on short-term financial assets

|  | 30/06/2023    | 31/12/2022    | 30/06/2022    |
|--|---------------|---------------|---------------|
| <b>Opening balance of impairment write-down on short-term financial assets</b> | <b>-3,102</b> | <b>-3,122</b> | <b>-3,122</b> |
| Created  | 0             | 0             | 0             |
| Utilised   | 0             | 0             | 0             |
| Released   | 0             | 20            | 0             |
| <b>Closing write-down on short-term financial assets</b>                       | <b>-3,102</b> | <b>-3,102</b> | <b>-3,122</b> |

## 6.3. Impairment write-downs on inventories

|  | 30/06/2023    | 31/12/2022    | 30/06/2022    |
|--|---------------|---------------|---------------|
| <b>Opening balance of write-down on inventories</b>    | <b>-6,233</b> | <b>-7,767</b> | <b>-7,767</b> |
| Created (Costs of products, goods and materials sold)  | -1,334        | -2,792        | -3,198        |
| Utilised (Costs of products, goods and materials sold) | 0             | 0             | 0             |
| Released (Costs of products, goods and materials sold) | 3,642         | 4,326         | 3 880         |
| <b>Closing balance of write-down on inventories</b>    | <b>-3,925</b> | <b>-6,233</b> | <b>-7,085</b> |

The write-down was released following the revaluation of trading goods based on inventory ageing. Inventories are valued at the price lower of the following two values: purchase price (manufacturing cost) or net realisable value.

## 6.4. Write-down on trade and other receivables

|  | 30/06/2023    | 31/12/2022     | 30/06/2022     |
|--|---------------|----------------|----------------|
| <b>Opening balance of impairment write-down on receivables</b> | <b>-6,736</b> | <b>-22 420</b> | <b>-22 420</b> |
| Created  | -881          | -2,041         | -304           |
| Utilised   | 53            | 14 770         | 14,419         |
| Released   | 1,250         | 2,955          | 1,378          |
| <b>Closing balance of impairment write-down on receivables</b> | <b>-6,314</b> | <b>-6,736</b>  | <b>-6,927</b>  |



## 7. Shareholding structure

The Company's shareholding structure is presented in *Note 10.3* of the Notes to the abbreviated consolidated half-yearly financial statements.

## 8. Business combinations

On 12 August 2022, the District Court for the Capital City of Warsaw, 14th Division of the National Court Register (KRS), registered in the National Court Register the merger of ACTION S.A. (as the acquiring company) with ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością with its registered office in Krakow (KRS No: 0000438104) (as the acquired company).

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

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

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

- a) assets and liabilities of the acquired entity are recognised at the carrying value. The carrying value is deemed to be rather the value which was originally determined by the controlling entity than values resulting from the acquired entity's separate financial statement,
- b) intangible assets and contingent liabilities are recognised under the rules applied by the entity before the merger, pursuant to relevant IFRS,
- c) the company's goodwill does not arise – the difference between the payment transferred and the controlled entity's net assets purchased is recognised directly in the capital, under the item: returned profits,
- d) non-controlling interests are measured in the proportion corresponding to the carrying value of the controlled entity's net assets,
- e) comparative data are converted as if the merger took place at the beginning of the comparative period. If the date on which a relationship of subordination arises is subsequent to the beginning of the comparative period, comparative data are presented as of the moment when the relationship of subordination occurred for the first time.

Accordingly, the Company adjusted the comparative data retrospectively for H1 2022 as if the merger had taken place at the beginning of the previous reporting period. In connection with the requirements of IAS 1 par. 40a and par. 40b, the Company presented its third statement of operations at the beginning of the previous period.

The difference between the value of the merged company's shares and the value of their capitals was recognised in the Company's capital reserve at the date of the merger.

## Restatement of the statement of financial position

|   | 30/06/2022             |             | 30/06/2022            |
|---|------------------------|-------------|-----------------------|
|   | Data before the merger | Change      | Data after the merger |
| <b>ASSETS</b>   |                        |             |                       |
| <b>Non-current assets</b>                                       |                        |             |                       |
| Property, plant and equipment                                   | 137,467                | 0           | 137,467               |
| Goodwill  | 0                      | 0           | 0                     |
| Other intangible assets   | 5,498                  | 0           | 5,498                 |
| Investment real property  | 3,585                  | 0           | 3,585                 |
| Financial assets  | 128                    | -128        | 0                     |
| Other financial assets  | 0                      | 0           | 0                     |
| Deferred income tax assets                                      | 238                    | 0           | 238                   |
| Trade and other receivables                                     | 0                      | 0           | 0                     |
|   | <b>146,916</b>         | <b>-128</b> | <b>146,788</b>        |
| <b>Current assets</b>   |                        |             |                       |
| Inventories   | 228,084                | 2           | 228,086               |
| Trade and other receivables                                     | 173,732                | -8          | 173,724               |
| Current income tax receivables                                  | 548                    | 0           | 548                   |
| Derivative financial instruments                                | 0                      | 0           | 0                     |
| Other financial assets  | 0                      | 0           | 0                     |
| Cash and cash equivalents                                       | 97,649                 | 8           | 97,657                |
|   | <b>500,013</b>         | <b>2</b>    | <b>500,015</b>        |
| <b>Total assets</b>   | <b>646,929</b>         | <b>-126</b> | <b>646,803</b>        |
| <b>EQUITY</b>   |                        |             |                       |
| Share capital   | 2,004                  | 0           | 2,004                 |
| Share premium   | 77,207                 | 0           | 77,207                |
| Retained profit   | 341,175                | -137        | 341,038               |
| Other reserves  | 0                      | 0           | 0                     |
| <b>Total equity</b>   | <b>420,386</b>         | <b>-137</b> | <b>420,249</b>        |
| <b>LIABILITIES</b>  |                        |             |                       |
| <b>Long-term liabilities</b>                                    |                        |             |                       |
| Loans, borrowings and other financial liabilities               | 0                      | 0           | 0                     |
| Lease liabilities   | 1,118                  | 0           | 1,118                 |
| Trade and other liabilities                                     | 83,634                 | 0           | 83,634                |
| Deferred income tax provision                                   | 0                      | 0           | 0                     |
|   | <b>84,752</b>          | <b>0</b>    | <b>84,752</b>         |
| <b>Short-term liabilities</b>                                   |                        |             |                       |
| Trade and other liabilities                                     | 139,168                | 11          | 139,179               |
| Loans, borrowings and other liabilities on account of financing | 0                      | 0           | 0                     |

|  |                |             |                |
|--|----------------|-------------|----------------|
| Lease liabilities                            | 562            | 0           | 562            |
| Current income tax liabilities               | 0              | 0           | 0              |
| Liabilities due to employee benefits         | 2,061          | 0           | 2,061          |
| Derivative financial instruments             | 0              | 0           | 0              |
| Provisions for other liabilities and charges | 0              | 0           | 0              |
|  | <b>141,791</b> | <b>11</b>   | <b>141,802</b> |
| <b>Total liabilities</b>                     | <b>226,543</b> | <b>11</b>   | <b>226,554</b> |
| <b>Total equity and liabilities</b>          | <b>646,929</b> | <b>-126</b> | <b>646,803</b> |

## Restatement of the statement of comprehensive income

|  | Period<br>from 01/01/2022<br>to 30/06/2022<br>before the<br>merger | Change     | Period<br>from<br>01/01/2022<br>to 30/06/2022<br>after<br>the merger |
|--|--|------------|--|
| Sales revenue  | 1,115,275  | -6         | 1,115,269  |
| Costs of products, goods and materials sold  | -1,018,098   | 48         | -1,018,050   |
| <b>Gross profit/loss on sales</b>  | <b>97,177</b>  | <b>42</b>  | <b>97,219</b>  |
| Sales and marketing costs  | -56,941  | 0          | -56,941  |
| General administration costs   | -17,513  | -78        | -17,591  |
| Other revenue and profits  | 2,448  | 0          | 2,448  |
| Other expenses and losses  | 1,616  | 0          | 1,616  |
| <b>Operating profit (loss)</b>   | <b>23,555</b>  | <b>-36</b> | <b>23,519</b>  |
| Financial revenue  | 1,360  | 0          | 1,360  |
| Financial costs  | -1,565   | -1         | -1,566   |
| <b>Profit (loss) before tax</b>  | <b>23,350</b>  | <b>-37</b> | <b>23,313</b>  |
| Income tax   | -4,318   | 0          | -4,318   |
| <b>Net profit (loss) for the financial year</b>  | <b>19,032</b>  | <b>-37</b> | <b>18,995</b>  |
| <b>Other components of comprehensive income</b>  |  |            |  |
| Net change due to cash flow hedges   | 0  | 0          | 0  |
| Income tax   | 0  | 0          | 0  |
| <b>Other components of net comprehensive income</b>  | <b>0</b>   | <b>0</b>   | <b>0</b>   |
| <b>Comprehensive income for the period</b>   | <b>19,032</b>  | <b>-37</b> | <b>18,995</b>  |
| <b>Earnings/(Loss) per ordinary share attributable to equity holders of the Company during the period (expressed in PLN per share)</b> |  |            |  |
| – basic  | 0.95   | 0.00       | 0.95   |
| – diluted  | 0.95   | 0.00       | 0.95   |
| <b>Number of shares</b>  | <b>20,037,000</b>  |            | <b>20,037,000</b>  |
| <b>Diluted number of shares</b>  | <b>20,037,000</b>  |            | <b>20,037,000</b>  |

## 9. Transactions with related parties

The tables below present amounts of mutual settlements and transactions made between the Company and the entities related by capital.

### Revenue from sales to related parties

|   | For the period<br>1/01/2023 – 30/06/2023 | For the period<br>1/01/2022 – 30/06/2022 |
|---|--|--|
| Revenue from sales of products (services) | 7  | 6  |
| Revenue from sales of goods and materials | 0  | 0  |
|   | <b>7</b>                                 | <b>6</b>                                 |

### Purchase from related parties

|  | For the period<br>1/01/2023 – 30/06/2023 | For the period<br>1/01/2022 – 30/06/2022 |
|--|--|--|
| Purchase of services   | 179                                      | 156                                      |
| Purchase of goods and materials  | 512                                      | 0  |
| Purchase of fixed assets, intangible assets and investment real properties and other | 0  | 0  |
|  | <b>691</b>                               | <b>156</b>                               |

### Financial revenue

|                                  | For the period<br>1/01/2023 – 30/06/2023 | For the period<br>1/01/2022 – 30/06/2022 |
|----------------------------------|--|--|
| Interest on borrowings and bonds | 52                                       | 20                                       |
| Dividends received               | 110                                      | 146                                      |
|                                  | <b>162</b>                               | <b>166</b>                               |

### Financial costs

|                   | For the period<br>1/01/2023 – 30/06/2023 | For the period<br>1/01/2022 – 30/06/2022 |
|-------------------|--|--|
| Interest on bonds | 0  | 0  |
|                   | <b>0</b>                                 | <b>0</b>                                 |

### Other financial assets

|                               | 30/06/2023 | 31/12/2022 |
|-------------------------------|------------|------------|
| Short-term Borrowings granted | 0          | 0          |
|                               | <b>0</b>   | <b>0</b>   |

### Receivables from related parties

|                                | 30/06/2023 | 31/12/2022 |
|--------------------------------|------------|------------|
| Short-term                     |            |            |
| Trade and other receivables    | 2          | 2          |
| Other receivables              | 0          | 0          |
| Short-term receivables (gross) | 2          | 2          |
| Write-downs on receivables     | 0          | 0          |
| (Net) short-term receivables   | 2          | 2          |

### Liabilities to related parties

|                   | 30/06/2023 | 31/12/2022 |
|-------------------|------------|------------|
| Short-term        |            |            |
| Trade liabilities | 39         | 34         |
| Bond liabilities  | 0          | 0          |
|                   | 39         | 34         |

### Remuneration of managers

#### Remuneration paid and due

|   | For the period<br>1/01/2023 – 30/06/2023 | For the period<br>1/01/2022 – 30/06/2022 |
|---|--|--|
| <b>Management Board, including:</b>                       | <b>1,280</b>                             | <b>1,472</b>                             |
| Piotr Bieliński – President of the Management Board,      | 643                                      | 743                                      |
| Sławomir Harazin – Vice-President of the Management Board | 637                                      | 729                                      |

### Remuneration of senior management

|   | For the period<br>1/01/2023 – 30/06/2023 | For the period<br>1/01/2022 – 30/06/2022 |
|---|--|--|
| Remuneration of the Members of the Company's Management Board | 1,280                                    | 1,472                                    |
| Remuneration of key executive personnel                       | 3,357                                    | 3,079                                    |
|   | <b>4,637</b>                             | <b>4,551</b>                             |

Key executive personnel includes the Company's Directors.

## 10. Net cash inflows from operating activities

|   | For the period<br>1/01/2023 –<br>30/06/2023 | For the period<br>1/01/2022 – 30/06/2022 |
|---|---|--|
| <b>Gross profit / loss for the financial year</b>                 | <b>18,211</b>                               | <b>23,313</b>                            |
| Adjustments:  | <b>2,369</b>                                | <b>-508</b>                              |
| – Income tax  | 0   | 0  |
| – Income tax paid   | -2,096                                      | -4,605                                   |
| – Depreciation/amortisation of fixed assets and intangible assets | 4,501                                       | 4,122                                    |
| – (Profits) losses on investment activities, of which:            | 84  | 441                                      |
| Impairment write-downs  | 0   | 0  |
| (Profits) losses on measurement of financial instruments          | 84  | 441                                      |
| (Profits) losses on sale of non-financial assets                  | 0   | 0  |
| (Profits) losses on sale of financial assets                      | 0   | 0  |
| (Profits) losses on foreign exchange differences                  | 0   | 0  |
| Other   | 0   | 0  |
| (Profits) losses from compensations received                      | 0   | 0  |
| – Interest revenue  | -2,213                                      | -684                                     |
| – Interest expenses   | 34  | 34                                       |
| – Other, including:   | 2,059                                       | 184                                      |
| Change in provisions  | 0   | 0  |
| Valuation of commercial bonds                                     | 2,280                                       | 0  |
| Change in prepayments/accruals                                    | 0   | 0  |
| Change in employee benefit liabilities                            | 212   | 184                                      |
| Other adjustments   | -433  | 0  |
| Changes in working capital:                                       | <b>21,648</b>                               | <b>24,328</b>                            |
| – Inventories   | 17,750                                      | 21,927                                   |
| – Trade and other receivables                                     | 15,054                                      | 7,957                                    |
| – Trade and other liabilities                                     | -11,156                                     | -5,556                                   |
| <b>Net cash inflows from operating activities</b>                 | <b>42,228</b>                               | <b>47,133</b>                            |

## 11. Other investment inflows/outflows

|  | For the period<br>1/01/2023 – 30/06/2023 | For the period<br>1/01/2022 – 30/06/2022 |
|--|--|--|
| Other investment inflows/outflows, of which:     |  |  |
| – Acquisition of interests                       | -4,240                                   | 0  |
| – Borrowings repaid                              | 500                                      | 0  |
| – Interest received                              | 1,896                                    | 21                                       |
| – Other  | 0  | 0  |
| – Cash received from liquidation of a subsidiary | 0  | 530                                      |
| – Dividends received                             | 110                                      | 146                                      |
|  | <b>-1,734</b>                            | <b>697</b>                               |

## 12. Contingent assets and liabilities

As at 30 June 2023, the Company held contingent receivables due to the repayment of receivables in the amount of PLN 3,625k. Hedging liabilities under agreements signed as at the reporting date and not reflected in the Company's abbreviated half-yearly financial statements, amounted to PLN 8,391k as at 30 June 2023 and PLN 5,651k as at 31 December 2022.

|                                      | 30/06/2023    | 31/12/2022   | 30/06/2022    |
|--------------------------------------|---------------|--------------|---------------|
| <b>1. Contingent receivables</b>     | <b>3,625</b>  | <b>2,213</b> | <b>5,174</b>  |
| 1.1. From other entities (due to)    | 3,625         | 2,213        | 5,174         |
| – guarantees and sureties received   | 3,625         | 2,213        | 5,174         |
| <b>2. Contingent liabilities</b>     | <b>8,391</b>  | <b>5,651</b> | <b>9,039</b>  |
| 1.1. To other entities (due to)      | 8,391         | 5,651        | 9,039         |
| – guarantees and sureties granted    | 8,391         | 5,651        | 9,039         |
| – letters of credit                  | 0             | 0            | 0             |
| 1.2. To related parties (due to)     | 0             | 0            | 0             |
| – guarantees and sureties granted    | 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>12,016</b> | <b>7,864</b> | <b>14,213</b> |

## 13. Events after the balance sheet date

Events after the balance sheet date are described in detail in note 8 of the abbreviated consolidated half-yearly financial statements.

## 14. Other information regarding the abbreviated half-yearly financial statements

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

The issue of bonds is described in *Note 10.1* of the Consolidated Financial Statements.

### 14.2. Court proceedings

Court proceedings are described in *Note 10.4* of the Consolidated Financial Statements.

### 14.3. Error adjustments

These financial statements do not contain adjustments of errors from previous periods.

These abbreviated consolidated half-yearly financial statements were approved by the Management Board of ACTION S.A. on 29 September 2023.

---

Piotr Bieliński  
President of the Management  
Board

Sławomir Harazin  
Vice-President of the Management  
Board

---

Agnieszka Sulewska  
Person responsible for keeping  
the accounts

Zamienie, 29 September 2023



## Half-yearly report of the Management Board on the operations of the ACTION S.A. Capital Group (Group) and ACTION S.A. (Company)

### Information about the Group

#### 15. Basic financial data and description of growth perspectives in the coming six months

In H1 2023, the entities of the ACTION S.A. Capital Group achieved sales of PLN 1,146,273 thousand, which was 2.8% more than in the comparable period of 2022. In the first six months of 2022, a year-on-year increase in the margin on sales was also recorded from 8.73% to 8.86%. This resulted in a net profit of PLN 14,431k. As in the previous year, the lower value of the profit was influenced by the effects of ongoing inflation and the resulting increase in operating costs, especially the costs of labour and logistics services. In the period of the coming six months, the following issues will be of key importance for the results achieved:

- Continuing to expand the commercial offering while maintaining fast inventory turnover.
- Maintaining a highly diversified and geographically dispersed base of Suppliers and Recipients.
- Using strong business pillars:
  - Action Business Centre
  - E-commerce Automation
  - Consumer Product
  - Development of the product portfolio with respect to high-margin products, compliant with current trends and innovations
- Further expansion into foreign markets.
- Continuing to seek acquisition targets.

#### 16. Assessment of the management of the Group's financial resources

The entities of the ACTION S.A. Capital Group pursue common management policy for financial resources. The main priorities of this policy are a stable liquidity situation and low and stable interest-bearing debt. The main indicators describing financial security in H1 2023 remained at a safe level and their values were as follows:

##### Liquidity ratios

|   | 30/06/2023 | 31/12/2022 |
|---|------------|------------|
| Current ratio (current assets/current liabilities)      | 3.90       | 3.95       |
| Quick ratio (liquid current assets/current liabilities) | 1.90       | 1.86       |
| Cash ratio (short-term investments/current liabilities) | 0.51       | 0.44       |

Similar to the values observed at the end of 2022, the liquidity ratios for the ACTION S.A. Capital Group at all analytical levels were at levels far exceeding those observed among other industry players and rarely seen in the economy. The value of the ratios achieved plays and will continue to play a special role in an environment of high interest rates.

Similarly, all measures of debt were at a stable, highly secure level and were as follows at the end of June 2023:

| Group debt ratios            | 30/06/2023 | 31/12/2022 |
|------------------------------|------------|------------|
| General debt ratio           | 0.31       | 0.32       |
| Equity to assets ratio       | 0.69       | 0.68       |
| Interest-bearing debt/equity | 0.01       | 0.01       |

## 17. Description of the organisation of the Group with the indication of the entities subject to consolidation

The composition of the ACTION S.A. Capital Group is presented in *Note 1.2* of the Abbreviated consolidated half-yearly financial statements.

## 18. Effects of changes in the Group's structure

On 20 June 2023, the Company acquired 55.49% of the share capital and the same number of votes at the General Meeting of BRON.PL Spółka Akcyjna. Subsequently, as a result of further transactions, this shareholding increased to 67.82% by the balance sheet date.

BRON.PL conducts business activity in the area of trade in defence products not requiring a licence, as well as in the area of trade in weapons and ammunition and trade in products for military or police purposes, in particular through online shops under the domain addresses [www.bron.pl](http://www.bron.pl) and [www.Hobby4Men.com](http://www.Hobby4Men.com); a B2B wholesale platform and a brick and mortar shop in Częstochowa.

In the Issuer's opinion, the acquisition of control over BRON.PL will enable the expansion and diversification of the product range and strengthen the B2C segment in the sales structure of the Company and the ACTION S.A. Capital Group, as well as increase the share of high-margin products in the Issuer's offer, which is in line with the Issuer's long-term assumptions and its established commercial policy.

## 19. Realisation of forecasts

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

## 20. Shareholders holding, directly or indirectly through their subsidiaries, at least 5% of total votes at the Company's general meeting, 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 Q1 2023, i.e. as of 30 May 2023:

| 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             | 19.02%                                | 3,811.749       | 19.02%                         |
| Aleksandra Matyka             | 3,093.457             | 15.44%                                | 3,093.457       | 15.44%                         |
| Wojciech Wietrzykowski        | 1,199.390             | 5.99%                                 | 1,199.390       | 5.99%                          |
| ACTION S.A.                   | 1,384,167             | 6.91%                                 | 1,384,167       | 6.91%                          |
| Lemuria Partners Sicav P.L.C. | 1,200,000             | 5.99%                                 | 1,200,000       | 5.99%                          |
| Teamworks FZE                 | 1,250,061             | 6.24%                                 | 1,250,061       | 6.24%                          |

Shareholding structure above 5% share in the share capital as at the date of preparation and submission of this report for H1 2023, i.e. 29 September 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%                          |
| 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%                          |

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.

## 21. 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 report for Q1 2023, i.e. 30 May 2023, the individuals managing and supervising the Company 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

of this report for H1 2023, i.e. 29 September 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                          |

## 22. Presentation of material proceedings pending before court, competent arbitration authority or public administration authority

Court proceedings are described in *Note 10.4* Court proceedings of the Consolidated financial statements. Apart from the proceedings described in *Note 10.4*, there are no other proceedings before authorities competent for arbitration proceedings. Material proceedings before public administration authorities are described in *Note 3.4 Taxes*.

## 23. Non-arm's length transactions with related parties

In the period covered by the report, the Group's companies did not conclude transactions with related parties on non-market conditions.

## 24. Information on borrowings granted

In the reporting period, the Group did not grant any borrowings.

## 25. Information on guarantees and sureties granted

As at 30 June 2023, the value of guarantees and sureties granted amounted to PLN 8,391k, including:

Bank guarantees totalling PLN 1,199k (EUR 269k),  
Bank guarantees totalling PLN 51k (USD 12.5k),  
Bank guarantees totalling PLN 7,140k.

## 26. Information about the acquisition of own shares

In 2022 and 2023, the Company carried out share buybacks as part of the implementation of the share buyback scheme under the authorisation contained in Resolutions Nos. 3 and 5 of the Extraordinary General Meeting of ACTION S.A. of 26 October 2022 (as amended by General Meeting Resolutions Nos. 3 and 4 dated 14 April 2023 and 13, 17 and 18 dated 21 June 2023) and in accordance with the detailed terms and conditions for the acquisition of treasury shares published in current report no.: 52/2022 of 28 October 2022, 36/2023 of 14 April 2023 and 58/2023 of 22 June 2023.

The reason for acquiring own shares is to fulfil the purposes of this transaction. In accordance with the documents referred to above, the Company's own shares may be acquired for the redemption and reduction of the Company's share capital or further resale by the Company. The Management Board is authorised to determine the specific purpose for the acquisition of own shares, to the extent indicated in the preceding sentence, where, if the purpose is to redeem own shares and reduce the Company's share capital, this purpose is confirmed in the General Meeting's resolution 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 cancelled 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 Nos. 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 cancelled 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 buyback until 30 June 2023, the Issuer acquired 1,744,540 own shares (ISIN code: PLACTIN00018) with a nominal value per share of PLN 0.10 and a total nominal value of PLN 174,454.00. The total value of the aforementioned shares acquired by the Company, understood as the total price paid for these shares, amounts to PLN 20,800,176.58.

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 cancelled, are also retained shares during the period.

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

In H1 2023, the most significant factor affecting the ACTION S.A. 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.

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

The most significant factor influencing the Group's results by the end of 2023 will be the impact of the ongoing war in Ukraine, the resulting scale of the observed energy crisis and the effects of inflation.

Apart from the above, the most important factors affecting the results generated in the future include:

in relation to internal factors:

- a) Ongoing processing of composition agreement 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 supervision of the development of the Sferis.pl, Krakvet.pl, Bron.pl and hobby4man.pl platforms.

- d) Actively seeking new opportunities for the development of its own e-commerce, including the search for acquisition targets.
- e) Operations connected with active participation in the renewable energy market, in particular the PV market.
- f) Current supervision over the scope of commercial offer and entering new markets.
- 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.

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) Effects of the war in Ukraine.
- 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.

## **29. Material risk factors related to the Group's operations**

A detailed description of the material risk factors related to the operations of the Group is presented in items 27, 28, 29 and 30 below.

## **30. Financial instruments – risks and their hedging**

### **30.1. Risk related to changes of product prices**

The market on which the entities of the ACTION S.A. Capital Group operate is characterised by a tendency for goods to quickly become obsolete which, consequently, leads to a decrease in their prices. Therefore, the entities of the Group pay special attention to effective management of the supply chain, with particular attention being paid to the maintenance of the lowest possible inventory turnover. The Group's entities analyse changes of market prices on an ongoing basis for the purpose of optimal management of the said risk.

### **30.2. Credit risk**

The Group follows a policy of crediting its customers by applying extended payment deadlines for products sold. The credit risk arising in such circumstances is an unavoidable component of market competition. The purpose of the procedures functioning in the Group is to maintain the credit risk at the level accepted by the individual Group companies. The Group pursues a policy limiting credit exposure with respect to individual customers. The applied credit limits granted to individual contractors are aimed at eliminating an increase in risk caused by excessive concentration of credit sales on a single customer. The level of the credit limit, i.e. the level of credit risk accepted by individual Group companies, is determined individually for each customer on the basis of their financial standing, their cooperation to date and the history of their operations. In order to increase the credit limit, the contractor must submit additional collaterals which decrease the level of the credit risk. Since 1 April 2006, the Parent Company has insured receivables, except for receivables from subsidiaries and selected long-standing customers. The credit risk arising from granting extended payment dates to external contractors is limited by using collateral in the form of a bill of exchange or a notarial deed on submission to enforcement procedures as well as one of the following types of material collaterals:

- an agreement on assignment of receivables and other rights,
- an agreement transferring the title of ownership to goods,
- an entry to the land and mortgage register at the first position,
- a bank guarantee,
- a bank deposit.

### **30.3. Risk of significant cash flow disruptions and risk of loss of financial liquidity**

Characteristic for the distribution market of the industries serviced by the Issuer, is the relatively high variability of the share of current assets and their sources of financing in individual periods of the year. Changes in the value of inventories and receivables enforce the need to monitor liquidity and debt ratios on an ongoing basis. Entities of the ACTION S.A. Capital Group make efforts on a regular basis to ensure appropriate amounts of cash necessary to finance temporary surpluses of current assets.

## 31. Basic financial data and description of growth perspectives in the coming six months

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

|                                   | H1 2023          | H1 2022          |
|-----------------------------------|------------------|------------------|
| <b>Net sales</b>                  | <b>1,146,273</b> | <b>1,115,263</b> |
| <b>Gross profit/loss on sales</b> | <b>101,584</b>   | <b>97,375</b>    |
| <i>gross margin</i>               | 8.86%            | 8.73%            |
| <b>EBIT</b>                       | <b>17,447</b>    | <b>22,802</b>    |
| <i>EBIT margin</i>                | 1.52%            | 2.04%            |
| <b>Net profit/loss</b>            | <b>14,431</b>    | <b>17,759</b>    |
| <i>net margin</i>                 | 1.26%            | 1.59%            |

In H1 2023, the Group achieved sales revenue of PLN 1,146,273k, an increase of 2.8% over the level of sales realised in the same period last year.

In this period, the Group achieved a profit on sales of PLN 101,584k, showing a 4.3% increase in value. Operating profit for H1 2023 amounted to PLN 17,447k versus PLN 22,802k achieved in the previous year. Net profit for the period amounted to PLN 14,431 versus PLN 17,759k for H1 2022. The gross margin on sales reached 8.86% versus 8.73% achieved for H1 2022.

In the opinion of the Management Board of ACTION S.A., the results for H1 2023 were most influenced by the effects of prolonged high inflation, including, in particular, with regard to the observed sales dynamics, the real decrease in salaries and the resulting visible drop in retail sales at home and abroad. As regards financial performance, the observed increase in the cost of labour and services was significant.

In the second half of 2023, the Management Board expects increased demand for the goods offered by the Group entities due to:

- the autumn and winter season that significantly affects the demand for products offered by the Group,
- the acquisition of new partners and products corresponding to the current demand,
- further development of sales channels supported by the Group,
- further expansion of the supported export markets.



## Information about the Company

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

|                                   | H1 2023       | H1 2022       |
|-----------------------------------|---------------|---------------|
| <b>Net sales</b>                  | 1,140,130     | 1,115,269     |
| <b>Gross profit/loss on sales</b> | <b>99,146</b> | <b>97,219</b> |
| <i>gross margin</i>               | 8.70%         | 8.72%         |
| <b>EBIT</b>                       | <b>17,322</b> | <b>23,519</b> |
| <i>EBIT margin</i>                | 1.52%         | 2.11%         |
| <b>Net profit/loss</b>            | <b>14,899</b> | <b>18,995</b> |
| <i>net margin</i>                 | 1.31%         | 1.70%         |

### 32. Explanation of differences between forecasts and figures disclosed in the report

During the reporting period, ACTION S.A. did not publish any forecasts regarding the Company's results.

### 33. Shareholders holding at least 5% of total votes at the Company's general meeting and the summary of shares held by managers and supervisors

Information on shareholders holding at least 5% of shares and on changes in shareholding during the reporting period are included in items 21 and 22 above.

### 34. Presentation of material proceedings pending before court, competent arbitration authority or public administration authority

Legal proceedings are described in *Note 10.4* of the Consolidated Financial Statements. Apart from the proceedings described in *Note 10.4*, there are no other proceedings pending before competent arbitration authorities. Significant proceedings before public authorities are described in *Note 2* Tax risks of the Financial Statements.

### 35. Non-arm's length transactions with related parties

In the period covered by the report, the Company did not enter into any transactions with related entities under non-market conditions.

### 36. Information on guarantees and sureties granted by the Company

As at 30 June 2023, the value of guarantees and sureties granted amounted to PLN 8,391k, including:

Bank guarantees totalling PLN 1,199k (EUR 269k),  
Bank guarantees totalling PLN 51k (USD 12.5k),  
Bank guarantees totalling PLN 7,140k.

### **37. Information on loans incurred by the Company**

On 3 April 2023, the Issuer concluded Annex No. 6 to the Multi-Product Agreement No. 808/2022/00000962/00 dated 28 March 2022 concluded by the Issuer with ING Bank Śląski S.A. (hereinafter referred to as the "Agreement")

Under Annex No. 6, the credit limit availability period was extended until 28 September 2024 and the dates of availability of sublimits were changed:

1. Sublimit in the amount of: PLN 30,000,000.00, i.e. thirty million PLN 00/100 available from 28 March 2022 until 28 March 2024, to be used for the following Products:

a) Revolving Loans in Bank Account in PLN up to the Maximum Debt Ceiling:  
equal to the amount of the available Sublimit;

b) Revolving Loans in Bank Account in EUR up to the Maximum Debt Ceiling:  
EUR 6,500,000.00, in words: six million five hundred thousand euros 00/100;

c) Revolving Loans in Bank Account in USD up to the Maximum Debt Ceiling:  
USD 7,300,000.00, in words: seven million three hundred thousand dollars.

2. Sublimit in the amount of: PLN 30,000,000.00, i.e. thirty million PLN 00/100 available from 28 March 2022 to 28 March 2024 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.

3. Sublimit in the amount of: PLN 5,000,000.00, in words: five million zlotys 00/100 available from 25 April 2022 to 28 March 2024, 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.

Moreover, the Bank extended the Revolving Line of Loan up to the amount of: PLN 33,000,000.00, in words thirty three million zlotys 00/100 by 28 March 2025, which is used to pay the Client's liabilities due to available Products.

Pursuant to Annex No. 6, the Parties have determined:

- the final repayment date of revolving loans on 28 March 2024, which is at the same time the final maturity.
- the final date for bank guarantees on 21 March 2025, provided that the period of liability cannot exceed 12 months.
- the final date for letters of credit on 21 March 2025, provided that the period of liability may not exceed: 6 months.

In order to legally secure its liabilities towards the Bank, the Issuer undertook to provide a Statement on submission to enforcement pursuant to Article 777(1)(5) of the Code of Civil Procedure, concerning the obligation to pay up to PLN 49,500,000.00 covering the extended availability period.

### **38. Material risk factors connected with the Company's operations**

#### **38.1. Risk of the inventory maintenance**

The Company's basic activity is the sale of technologically advanced goods which by their nature are exposed to the ageing process and the resulting reduction in their value. When launching new models of products on the market, manufacturers reduce the prices of previously offered products.

The Group's entities analyse their current inventory levels on an ongoing basis in order to limit the impact of this risk on their performance.

#### **38.2. Risk of losing receivables**

A very important item by value in the Company's assets is its trade receivables. As any other entity dealing with trade, the Company is exposed to the risk of losing some of its receivables. The risk increases along with the gradual economic slowdown in Poland and around the world. Considering the potential loss of receivables, the Company takes out insurance against this risk, using the services of top insurers.

### **38.3. Risk factors connected with the environment in which the Company carries out its operations**

#### **38.3.1. Risk connected with the macroeconomic situation in Poland**

The macroeconomic indicators of the Polish and global economy and the pace of its development have a significant impact on the value and trends observed in the market served by Action CG. The willingness to purchase goods offered by GK Action and, as a result, the value of purchases performed by the customers of GK Action Entities are substantially connected with the growth of GDP, the level of investments and the perception of the market situation by retail buyers. The Management Board keeps a close eye on changes in the values of the most important macroeconomic measures and the effects of changes in the fiscal and monetary policies implemented, which, in the Management Board's view, may significantly affect the dynamics of the global economies and, indirectly, the dynamics of the domestic economy.

#### **38.3.2. Currency risk**

The Company is exposed to the foreign exchange risk, in particular the USD and EUR. The foreign exchange risk arises from future trade transactions as well as assets and liabilities recognised. The foreign exchange risk arises whenever future trade transactions as well as assets and liabilities recognised are denominated in a currency other than the functional currency of the entity. The increase in the risk is proportionate to changes observed on the currency market. The Company tries to minimise the foreign exchange risk by regularly monitoring the structure and value of open foreign currency positions and, in the case of essential values, to secure positions by making foreign exchange swap transactions.

#### **38.3.3. Risk of the legal environment**

The changing laws and various interpretations thereof pose a threat to the operations of ACTION S.A. Any changes in the provisions of law may give rise to negative effects for the Company's operations. These changes may have a serious impact on the legal environment of the economic operations. The introduction of a new regulation important for business life may lead to interpretation problems, inconsistent court decisions, unfavourable interpretations adopted by the public administration bodies, etc.

#### **38.3.4. Tax policy risk**

The Polish tax system is characterised by frequent changes of provisions. Many regulations are imprecise and there are no clear-cut guidelines on their interpretation. The interpretations of the same tax provisions are frequently changed, and, unfortunately, there are discrepancies between the practice of tax authorities and the judicial decisions in the area of taxation. Although the Company monitors the activities of the fiscal authorities on an ongoing basis and makes efforts to adjust its activities to its current practice, if the fiscal authority changes its interpretations of the same provisions, in several years' time the taxpayer's activities may be deemed to be incorrect. Therefore, the risk is greater in the case of a Polish company than in the case of a company operating in more stable tax systems. In such a situation, the operations of the company and their recognition in tax statements and returns may be arbitrarily deemed by the tax authorities as inconsistent with the tax laws. However, it is anticipated that the two-instance proceedings before administrative courts and the *acquis communautaire* will contribute significantly to the uniformity of court decisions in tax cases and, as a result, to the uniform application of the tax law, including by fiscal authorities. One of the risk elements, in particular among entities operating in the electronic sector, though not only, concerns assessment of the good faith and due care of the taxpayer making purchases from suppliers which – in the opinion of the tax authority – either let irregularities occur, or their predecessors did so. In such situations, the tax authority almost always and automatically concludes that the final purchaser was involved in tax fraud too, or alternatively, that it failed to exercise due care during the process of verifying its suppliers, including that it failed to verify from what entities the supplier had purchased goods being the subject matter of tax fraud in the opinion of the authority, regardless of what measures the final purchaser takes in order to protect itself from that. Judicial decisions of Polish courts in this respect are also much stricter than judicial decisions of the Court of Justice of the European Union. Still, increasingly often, Polish courts take them into account, when making decisions more favourable for taxpayers. Obstacles include provisions on the limitations period for tax liabilities, in particular possibilities of suspending or interrupting the running of this period, which involves a possibility of verifying the correctness of the calculation of the tax liabilities for a relevant period. Tax returns specifying the amount of the tax liability and the amount of payments made may be verified through inspections by the tax authority within five years from the end of the year in which the tax payment date passed; however, this period may be extended if the tax or fiscal authority interrupts or

suspends the running of the limitations period, which is relatively easy. If the tax authorities adopt an interpretation of tax regulations, which form the basis for calculating the tax liability, different than the interpretation adopted by the Company, the Company may be forced to pursue its arguments before the Polish courts and the CJEU, which may have a significant adverse impact on the operations of the Company, its financial situation, and, in consequence, its results and growth perspectives.

The decisions received from the Tax Audit Office are described in detail in *Note 3.4 of the Consolidated half-yearly financial statements*.

### **38.3.5. Risk connected with the scheme of arrangements**

In the period from 1 August 2016 to 15 December 2020, the Company was subject to remedial proceedings under Article 2.4 of the Restructuring Law Act of 15 May 2015. By order of the District Court for the Capital City of Warsaw in Warsaw, 18th Division for Bankruptcy and Restructuring (file No XVIII GRs 1/19), of 7 August 2020, the composition agreement in the remedial proceedings of the Company was approved (hereinafter referred to as "Scheme of Arrangements"). This decision takes effect as of 15 December 2020. The Company's intention has been to avoid the threat of insolvency and to protect the rights of its creditors, including in particular the repayment of their claims, in accordance with the Scheme of Arrangements. The Company implements the Scheme of Arrangements in accordance with its provisions. However, it should be remembered that, in the event of non-performance of the Scheme of Arrangements, it is possible that it could be revoked and the Company would still be obliged to satisfy its creditors. Depending on the Company's financial situation, the occurrence of such an option might result in the obligation to initiate bankruptcy proceedings.

A detailed description of the implementation of the Composition Agreement is included in *Note 7 "Implementation of the Scheme of Arrangements" of the Consolidated half-yearly financial statements*.

### **38.3.6. Risk of recession**

The political, social and economic events that have been taking place in the world since the beginning of 2023, such as the prolonged war in Ukraine, the tensions in Africa and other regions of the world, the growing trade war between the major powers, in particular between the USA and China, caused a noticeable drop in GDP in the first half of the year, both in Poland and in a number of developed countries of Europe and the world. The continuing high inflation, if insufficiently tackled, could exacerbate the adverse trends. The Management Board keeps track of both the demand and the value of macroeconomic indicators for the most important Recipient Countries supported by GK Action and makes regular decisions regarding the scale of operations conducted there and the commercial offer. Moreover, measures are taken on an ongoing basis in order to both update the commercial offer and acquire new export directions and channels there.

---

Piotr Bieliński  
President of the Management Board

---

Sławomir Harazin  
Vice-President of the Management Board

Zamienie, 29 September 2023