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# CONSOLIDATED QUARTERLY REPORT OF ACTION CG

for quarter 1 2024

29 MAY 2024

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

These Interim Condensed Consolidated Financial Statements and the comparative data have been prepared to present the financial position, business results and cash flows as required by International Financial Reporting Standards ("IFRS") approved by the EU, published and in force as at the reporting date, and with respect to matters not regulated by IFRS, in compliance with the Polish Accounting Act of 29 September 1994 (Journal of Laws of 2023, item 120 as amended).

These Interim Condensed Consolidated Financial Statements of the ACTION S.A. Capital Group for the period ended on 31 March 2024 include: consolidated statement of comprehensive income, consolidated statement of financial position, statement of changes in consolidated equity, consolidated cash flow statement and notes containing a description of key accounting principles and selected explanatory notes.

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

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

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

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Piotr Bieliński

President of the Management Board

Sławomir Harazin

Vice-President of the Management Board

Zamienie, 29 May 2024

## II. Interim Condensed Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards for the period from 1 January 2024 to 31 March 2024

SELECTED CONSOLIDATED FINANCIAL DATA	in PLN k		in EUR k	
	Period	Period	Period	Period
	from 01/01/2024 to 31/03/2024	from 01/01/2023 to 31/03/2023	from 01/01/2024 to 31/03/2024	from 01/01/2023 to 31/03/2023
I. Net revenues from sales of products, goods and materials	615,578	586,243	142,459	124,719
II. Gross profit/loss on sales	53,039	51,099	12,274	10,871
III. Profit/loss on operating activities	19,643	11,042	4,546	2,349
IV. Net profit/loss attributable to the Company's shareholders	15,931	9,256	3,687	1,969
V. Net cash flow from operating activities	56,867	38,002	13,160	8,085
VI. Net cash flow from investment activities	14,908	-7,520	3,450	-1,600
VII. Net cash flow from financial activities	-37,770	-10,581	-8,741	-2,251
VIII. Net increases (decreases) in cash	34,005	19,901	7,870	4,234
IX. Profit/loss per ordinary share *) (in PLN/EUR)	0.85	0.46	0.20	0.10
	As at 31/03/2024	As at 31/12/2023	As at 31/03/2024	As at 31/12/2023
X. Total assets	643,023	687,929	149,509	158,217
XI. Liabilities	212,757	239,722	49,468	55,134
XII. Long-term liabilities	58,768	64,653	13,664	14,870
XIII. Short-term liabilities	153,989	175,069	35,804	40,264
XIV. Equity attributable to the Company's shareholders	429,208	447,876	99,795	103,007
XV. Share capital	1,874	1,874	436	431
XVI. Weighted average number of shares** (quantity)	18,737,000	19,549,055	18,737,000	19,549,055
XVII. Book value per share *** (in PLN/EUR)	22.91	22.91	5.33	5.27

\* 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 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.

### 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
01/01/2024 - 31/03/2024	4.3211	4.3009	4.3434	4.3009
01/01/2023 - 31/12/2023	4.5284	4.5756	4.7170	4.3480
01/01/2023 - 31/03/2023	4.7005	4.6755	4.7170	4.6755

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

- items concerning the consolidated statement of comprehensive income and the cash flow statement were converted at the exchange rate being the arithmetic mean of the average minimum and maximum exchange rates published by the National Bank of Poland, in force on the last day of each month, the exchange rate for Q1, 2024 was EUR 1 = PLN 4.3211, for Q1, 2023 – EUR 1 = PLN 4.7005;
- 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 31 March 2024 this exchange rate was: EUR 1 = PLN 4.3009, as at 31 December 2023: EUR 1 = PLN 4.3480 and as at 31 March 2023: EUR 1 = PLN 4.6755.

## Consolidated statement of comprehensive income

All revenue and costs relate to continuing operations.

	Note	Period from 01/01/2024 to 31/03/2024	Period from 01/01/2023 to 31/03/2023
Sales revenue	(5.2)	615,578	586,243
Costs of products, goods and materials sold	(5.3)	-562,539	-535,144
<b>Gross profit/loss on sales</b>		<b>53,039</b>	<b>51,099</b>
Sales and marketing costs	(5.3, 5.4)	-34,242	-30,469
General administration costs	(5.3, 5.4)	-11,287	-10,051
Other operating income	(5.5)	12,725	866
Other expenses and losses	(5.6)	-592	-403
<b>Profit/loss on operating activities</b>		<b>19,643</b>	<b>11,042</b>
Financial revenue	(5.7)	1,836	975
Financial costs	(5.8)	-741	-705
Share in profits (losses) of associates and joint ventures settled with the equity method		-367	-327
<b>Profit/loss before tax</b>		<b>20,371</b>	<b>10,985</b>
Income tax	(6)	-4,413	-1,733
<b>Profit/loss on continuing operations</b>		<b>15,958</b>	<b>9,252</b>
Net profit/loss on discontinued operations		0	0
<b>Net profit / loss for the financial period</b>		<b>15,958</b>	<b>9,252</b>
Other components of comprehensive income			
Other comprehensive income that will be reclassified to profit or loss, before tax		1,923	1,064
Other items		0	0
Other comprehensive income that will not be reclassified to profit or loss, before tax		0	0
Total other comprehensive income before tax		1,923	1,064
Income tax connected with components of other comprehensive income which will be reclassified to profit or loss		-365	-202
Other components of net comprehensive income that may be reclassified to profit or loss		<b>1,558</b>	<b>862</b>
<b>Comprehensive income for the period</b>		<b>17,516</b>	<b>10,114</b>
<b>Net profit/loss attributable to:</b>			
<b>Company's shareholders</b>		<b>15,931</b>	<b>9,256</b>
non-controlling interests		27	-4
<b>Comprehensive income attributable to:</b>			
<b>Company's shareholders</b>		<b>17,489</b>	<b>10,118</b>
non-controlling interests		27	-4

Profit per share

Consolidated quarterly report of the CAPITAL GROUP ACTION S.A. for Q1 2024 | (all figures are provided in PLN thousand, unless stated otherwise)

	<b>Period from 01/01/2024 to 31/03/2024</b>	<b>Period from 01/01/2023 to 31/03/2023</b>
Basic profit/loss on continuing operations	0.85	0.46
Basic profit/loss on discontinued operations	0.00	0.00
Profit / loss per share (in PLN)	0.85	0.46
Diluted profit / loss on continuing operations	0.85	0.46
Diluted profit / loss on discontinued operations	0.00	0.00
Diluted profit / loss per share (in PLN)	0.85	0.46
<b>Weighted average number of shares</b>	<b>18,737,000</b>	<b>20,037,000</b>
<b>Diluted number of shares</b>	<b>18,737,000</b>	<b>20,037,000</b>

Piotr Bieliński

President of the Management Board

Sławomir Harazin

Vice-President of the Management Board

Zamienie, 29 May 2024



## Consolidated statement of financial position

	Note	31/03/2024	31/12/2023	31/03/2023
<b>ASSETS</b>				
Non-current assets				
Property, plant and equipment		131,460	132,819	137,162
Goodwill	(8)	4,198	2,415	698
Other intangible assets		7,304	6,553	5,592
Investment real property	(7)	0	0	3,703
Shares in associates measured with the equity method		0	178	517
Deferred income tax assets	(6.1)	0	0	0
Trade and other receivables		3	3	0
<b>Total fixed assets</b>		<b>142,965</b>	<b>141,968</b>	<b>147,672</b>
Current assets				
Inventories	(9)	258,612	301,611	257,325
Trade and other receivables	(10)	124,348	156,737	174,962
Current income tax receivables		0	0	0
Derivative financial instruments		0	0	160
Other financial assets	(11)	6,839	8,341	8,201
Cash and cash equivalents		109,466	75,461	75,803
<b>Total current assets other than held for sale</b>		<b>499,265</b>	<b>542,150</b>	<b>0</b>
Non-current assets classified as held for sale	(12)	793	3,811	0
<b>Total current assets</b>		<b>500,058</b>	<b>545,961</b>	<b>516,451</b>
<b>TOTAL ASSETS</b>		<b>643,023</b>	<b>687,929</b>	<b>664,123</b>
<b>EQUITY</b>				
Share capital		1,874	1,874	2 004
Share premium		77,207	77,207	77,207
Treasury shares		-57,699	-20,373	-18,300
Retained profit		406,268	387,209	381,128
Other reserves		1,558	1,959	862
<b>Equity attributable to the Company's shareholders</b>		<b>429,208</b>	<b>447,876</b>	<b>442,901</b>
Non-controlling interests		1,058	331	-426
<b>Total equity</b>		<b>430,266</b>	<b>448,207</b>	<b>442,475</b>
<b>LIABILITIES</b>				
Loans, borrowings and other liabilities on account of financing	(13)	293	293	0
Long-term lease liabilities		889	1,066	1,627
Trade and other liabilities		54,418	57,630	69,354
Deferred income tax provisions	(6.1)	3,168	5,664	703
<b>Long-term liabilities</b>		<b>58,768</b>	<b>64,653</b>	<b>71,684</b>
Trade and other liabilities		141,158	167,572	143,395
Loans, borrowings and other liabilities on account of financing	(13)	1,405	1,822	1 000
Short-term lease liabilities		824	850	837
Current income tax liabilities		9,239	3,462	3,619
Provisions for employee benefits		1,363	1,363	1,113
Provisions for other liabilities and charges		0	0	0
Derivative financial instruments		0	0	0
<b>Short-term liabilities</b>		<b>153,989</b>	<b>175,069</b>	<b>149,964</b>
<b>Total liabilities</b>		<b>212,757</b>	<b>239,722</b>	<b>221,648</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>643,023</b>	<b>687,929</b>	<b>664,123</b>

Piotr Bieliński

President of the Management Board

Sławomir Harazin

Vice-President of the Management Board

Zamienie, 29 May 2024

## Statement of changes in consolidated equity

### STATEMENT OF CHANGES IN CONSOLIDATED EQUITY 01/01 - 31/03/2024

	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 2024</b>	<b>1,874</b>	<b>77,207</b>	<b>-20,373</b>	<b>387,209</b>	<b>1,959</b>	<b>447,876</b>	<b>331</b>	<b>448,207</b>
<b>Changes in equity:</b>	<b>0</b>	<b>0</b>	<b>-37,326</b>	<b>19,059</b>	<b>-401</b>	<b>-18,668</b>	<b>727</b>	<b>-17,941</b>
Acquisition of treasury shares	0	0	-37,326	0	0	-37,326	0	-37,326
Redemption of treasury shares	0	0	0	0	0	0	0	0
Profit (loss)	0	0	0	15,931	0	15,931	27	15,958
Other comprehensive income	0	0	0	0	-401	-401	0	-401
Total comprehensive income	0	0	0	15,931	-401	15,530	27	15,557
Other	0	0	0	3,128	0	3,128	700	3,828
<b>As of 31 March 2024</b>	<b>1,874</b>	<b>77,207</b>	<b>-57,699</b>	<b>406,268</b>	<b>1,558</b>	<b>429,208</b>	<b>1,058</b>	<b>430,266</b>

### STATEMENT OF CHANGES IN CONSOLIDATED EQUITY 01/01 - 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 2023</b>	<b>2 004</b>	<b>77,207</b>	<b>-7,982</b>	<b>371,872</b>	<b>0</b>	<b>443,101</b>	<b>-422</b>	<b>442,679</b>
<b>Changes in equity:</b>	<b>-130</b>	<b>0</b>	<b>-12,391</b>	<b>15,337</b>	<b>1,959</b>	<b>4,775</b>	<b>753</b>	<b>5,528</b>
Acquisition of treasury shares	0	0	-32,857	0	0	-32,857	0	-32,857
Redemption of treasury shares	-130	0	20,466	-20,344	0	-8	0	-8
Profit (loss)	0	0	0	36,768	0	36,768	-113	36,655
Other comprehensive income	0	0	0	0	1,959	1,959	0	1,959
Total comprehensive income	0	0	0	36,768	1,959	38,727	-113	38,614
Other	0	0	0	-1,087	0	-1,087	866	-221
<b>As of 31 December 2023</b>	<b>1,874</b>	<b>77,207</b>	<b>-20,373</b>	<b>387,209</b>	<b>1,959</b>	<b>447,876</b>	<b>331</b>	<b>448,207</b>

## STATEMENT OF CHANGES IN CONSOLIDATED EQUITY 01/01/2023-31/03/2023

	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>-10,318</b>	<b>9,256</b>	<b>862</b>	<b>-200</b>	<b>-4</b>	<b>-204</b>
Issue of shares	0	0	0	0	0	0	0	0
Acquisition of treasury shares	0	0	-10,318	0	0	-10,318	0	-10,318
Profit (loss)	0	0	0	9,256	0	9,256	-4	9,252
Other comprehensive income	0	0	0	0	862	862	0	862
Total comprehensive income	0	0	0	9,256	862	10,118	-4	10,114
Other	0	0	0	0	0	0	0	0
<b>As of 31 March 2023</b>	<b>2 004</b>	<b>77,207</b>	<b>-18,300</b>	<b>381,128</b>	<b>862</b>	<b>442,901</b>	<b>-426</b>	<b>442,475</b>

Piotr Bieliński

President of the Management Board

Sławomir Harazin

Vice-President of the Management Board

Zamienie, 29 May 2024

## Consolidated cash flow statement

	Note	period	period
		from 01/01/2024 to 31/03/2024	from 01/01/2023 to 31/03/2023
<b>Cash flow from operating activities</b>			
<b>Cash flow from activities</b>		<b>57,882</b>	<b>39,262</b>
<b>Gross profit/loss</b>		<b>20,371</b>	<b>10,985</b>
<b>Adjustments:</b>		<b>37,511</b>	<b>28,277</b>
Income tax		0	0
Amortisation and depreciation of fixed and intangible assets		2,031	2,189
Profit (loss) on investment activities		-12,736	-81
Interest revenue		-1,262	-899
Interest expenses		52	23
Share in the net result of the associate		-367	-327
Other		2,330	1,233
Inventories		44,225	6,581
Trade and other receivables		32,753	3,322
Trade and other liabilities		-29,515	16,236
Income tax paid		-1,015	-1,260
<b>Net cash flow from operating activities</b>		<b>56,867</b>	<b>38,002</b>
<b>Cash flow from investment activities</b>			
Purchase of tangible fixed assets, intangible assets, investment real properties and other fixed assets		-2,017	-1,064
Income from sales of tangible fixed assets, intangible assets, investment real properties and other fixed assets		18,813	0
Other investment inflows/outflows		-1,888	-6,456
<b>Net cash flow from investment activities</b>		<b>14,908</b>	<b>-7,520</b>
<b>Cash flow from financing activities</b>			
Acquisition of treasury shares		-37,326	-10,318
Loans and borrowings received		0	0
Repayment of loans and borrowings		-164	0
Interest paid		-52	-20
Payments of liabilities under financial lease agreements		-228	-243
Other financial inflows/outflows		0	0
<b>Net cash flow from financial activities</b>		<b>-37,770</b>	<b>-10,581</b>
Net decrease/increase in cash before effects of foreign exchange differences		<b>34,005</b>	<b>19,901</b>
Effects of changes in foreign exchange rates concerning cash and cash equivalents		0	0
<b>Net increase/decrease in cash</b>		<b>34,005</b>	<b>19,901</b>
Opening balance of cash		75,461	55,902
Closing balance of cash		<b>109,466</b>	<b>75,803</b>

Piotr Bieliński

President of the Management Board

Stawomir Harazin

Vice-President of the Management Board

Zamienie, 29 May 2024

## Notes to the consolidated financial statement

### 1. Overview

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

#### 1.1. Company's business

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

The parent company is ACTION S.A. with its registered office in Zamień, ul. Dawidowska 10, Poland.

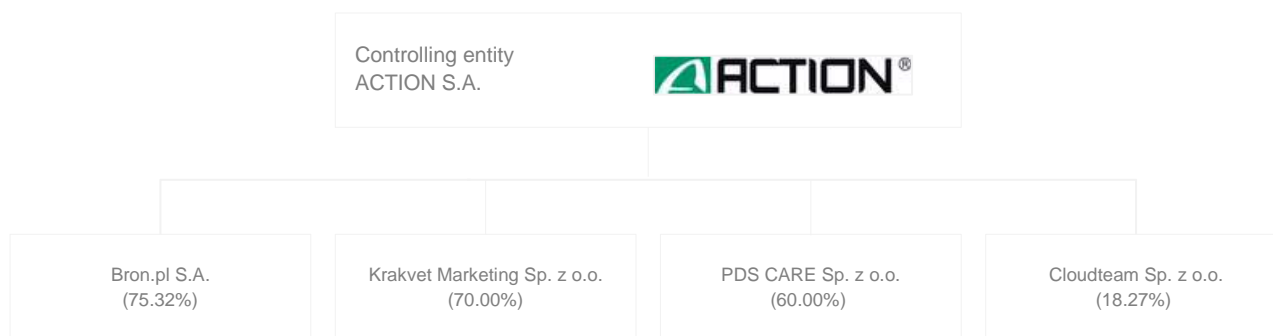
On 2 August 2004, ACTION Spółka Akcyjna was entered into the Register of Entrepreneurs of the National Court Register under KRS number 0000214038 on the basis of the decision of the District Court in Warsaw, XIX Commercial Division of the National Court Register. The Company is currently registered in the 14th Commercial Department of the Register Court for the Capital City of Warsaw. Previously, the legal predecessor of the Issuer, i.e. ACTION spółka z ograniczoną odpowiedzialnością, was entered into the Register of Businesses under the KRS no. 0000066230 on the basis of the decision of the District Court in Warsaw, Commercial Division of the National Court Register, of 28 November 2001.

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 2015, item 978).

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



### GROUP COMPOSITION:

#### 1. Parent company:

- **ACTION S.A.** with its registered office in Zamienie

#### 2. Subsidiaries:

- **BRON.PL S.A.** - with its registered office in Zamienie - subsidiary (75.32%)

**primary activity:** management of one of Poland's largest online and brick-and-mortar shops offering weapons available without a license, survival and personal protection accessories.

- **KRAKVET MARKETING Sp. z o. o.**, with its registered office in Zamienie - a subsidiary (70%)

**primary activity:** advertising services and commercial activities in the trade of pet supplies.

- **PDS CARE Sp. z o. o.** with its registered office in Zamienie - subsidiary (60%)

**primary activity:** marketing of medical and rehabilitation products with a particular focus on the requirements of the elderly via the online shops **PomoceDlaSeniora.pl** and **medsenio.pl** as well as a brick-and-mortar shop

#### 3. Associates:

- **CLOUDTEAM Sp. z o. o.** with its registered office in Warsaw – associated company (18.27%)<sup>2)</sup>

**primary activity:** training and IT services as well as computer equipment rental.

### CHANGES IN THE COMPOSITION OF THE GROUP DURING THE PERIOD UNDER REVIEW

On 15 February 2024, the Management Board of ACTION S.A. entered into an investment agreement based on which the Company acquired shares in the share capital of another entity and agreed on the terms of commercial and investment partnership within a new sales segment, i.e. medical and rehabilitation products with special focus on the requirements of the elderly.

Pursuant to the Agreement referred to above, the Issuer acquired shares representing a total of 60% of the share capital and the same number of votes at the shareholders' meeting of PDS CARE Spółka z ograniczoną odpowiedzialnością with its registered office in Łódź (National Court Register no. 0000865229 - hereinafter: "PDS"), while gaining a dominant position in this entity.

In addition, as part of the arrangements contained in the Agreement referred to above, the Company determined the terms and conditions for the acquisition of shares in the share capital of PDS in 2025 and 2026 (representing a further 40% of the share capital and the same number of votes at the general meeting of PDS), as well as the rules of business partnership within PDS. In the latter scope, the Parties agreed that the Issuer shall support the described cooperation within warehouse, logistics and delivery

services. While the entities so far and currently related to PDS shall provide their support in terms of industry knowledge and experience.

### **THIRD-PARTY SHARES IN SUBSIDIARIES**

KRAKVET MARKETING Sp. z o. o. – 30% 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 31/03/2024.**

Business name and legal form of the entity	Situated in	Business activities	Type of relationship	NATIONAL COURT REGISTER (KRS) NO.	Applied consolidation method / valuation method	Date of taking control / joint control / acquiring significant influence	% of ownership of share capital	% of GM votes
<b>BRON.PL S.A.</b>	Zamienie	retail and sale of military, outdoor and survival products	subsidiary	0000986333	full	20/06/2023	75.32%	75.32%
<b>KRAKVET MARKETING Sp. z o.o.</b>	Zamienie	wholesale trade in computer hardware, advertising services	subsidiary	0000866166	full	14.12.2011	70%	70%
<b>PDS CARE Sp. z o.o.</b>	Zamienie	marketing of medical and rehabilitation products with a particular focus on the requirements of the elderly via the online shops <b>PomoceDlaSeniora.pl</b> and <b>medsenio.pl</b> as well as a brick-and-mortar shop	subsidiary	0000865229	full	15/02/2024	60%	60%
<b>CLOUDTEAM Sp. z o.o.</b>	Warsaw	training and IT services, rental of computer hardware	associated company	0000276018	valuation using the equity method	12.09.2012	18.27%	18.27%



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

The Interim Condensed Consolidated Financial Statements of the ACTION S.A. Capital Group for Q1 2024 were prepared in line with IAS 34 *Interim Financial Reporting*.

The Interim condensed consolidated financial statements prepared for the period from 1 January 2024 to 31 March 2024 contains comparative data for the period from 1 January 2023 to 31 March 2023.

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

### 2.1. General principles of preparation

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

The Interim Condensed Consolidated Financial Statements were prepared under a going concern assumption for the foreseeable future.

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

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read jointly with the consolidated financial statements of the Group prepared in accordance with the IFRS for the financial year finished on 31 December 2023, published on 25 April 2024.

### 2.2. Going concern

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

### 2.3. Statement of compliance

This interim condensed consolidated financial statements for the period from 1 January 2024 to 31 March 2024 were prepared in accordance with the International Financial Reporting Standards ("IFRS") approved by the European Union, in particular in accordance with International Accounting Standard 34 *Interim Financial Reporting* applicable to interim financial reports. As of the date of approving this financial statements for publication, in terms of the accounting principles applied by the Group, there are no differences between the IFRS which are already in effect and the standards and interpretations approved by the European Union.

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

### 2.4. Basic accounting principles

The accounting principles (policy) applied to prepare these interim condensed consolidated financial statements for Q1 2024 are consistent with those applied to prepare the annual consolidated financial statements for 2023.

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 2023, published on 25 April 2024.

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

#### Functional and presentation currency

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

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

### 3. Major estimates and judgements

The preparation of consolidated financial statements require that the Management Board makes estimates as certain data included in the financial statements cannot be measured precisely. The Management Board verifies the estimates adopted on the basis of changes in factors taken into consideration in order to make the said estimates, new data or past experience. Therefore, the estimates made as of 31 March 2024 may be subject to adjustments in the future.

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

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

As of 31 March 2024, the Group's companies estimated the useful lives of property, plant and equipment and of intangible assets. The analysis did not reveal the necessity to make any related adjustments.

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

As at 31 March 2024, 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. 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 Head of the Tax Chamber in Warsaw dated 24 October 2016 (as announced by the Company in current report No 56/2016 dated 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 20/04/2018. 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 20/04/2022, 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. In a judgment of 8 November 2023. The Provincial Administrative Court in Warsaw, upholding the Company's complaint, repealed both of the above decisions of the tax authorities and discontinued the proceedings conducted by them. The Director of the Tax Administration Chamber in Warsaw filed a cassation appeal against the above judgment to the Supreme Administrative Court. The proceedings are pending.

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 resulting from the above decisions being the subject of the described court proceedings and the previously conducted proceedings concerning VAT and CIT recognised in the books as at 31 March 2024 amounts to PLN 7,244 thousand. The Issuer explains that the presented amount takes into account the current balances of provisions for these liabilities, pursuant to the degree of reduction resulting

from the legally approved composition agreement in the Company's 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.

### **3.4. Employee benefits**

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

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

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

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

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

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

Since 1 January 2010, the ACTION S.A. Capital Group has been obliged to present its results in the 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 1/01/2024 – 31/03/2024	for the period 1/01/2023 – 31/03/2023
Revenue from sales of products (services)	9,056	7,363
Revenue from sales of goods and materials	606,522	578,880
<b>Total</b>	<b>615,578</b>	<b>586,243</b>

## 5.3. Expenses by type

	for the period 1/01/2024 – 31/03/2024	for the period 1/01/2023 – 31/03/2023
Amortisation and depreciation of fixed and intangible assets	2,031	2,189
Costs of employee benefits	18,930	18,171
Consumption of materials and energy	3,347	3,420
Outsourcing	17,896	13,587
Taxes and charges	528	422
Advertising and representation expenses	2,415	1,985
Property and personal insurance	275	604
Other expenses by type	107	142
Value of goods and materials sold, of which:	562,539	535,144
– write-downs on stocks	-1,064	-1,978
<b>Total</b>	<b>608,068</b>	<b>575,664</b>

## 5.4. Costs of employee benefits

	for the period 1/01/2024 – 31/03/2024	for the period 1/01/2023 – 31/03/2023
Payroll	15,876	15,313
Social security and other benefits	354	2,858
<b>Total</b>	<b>18,930</b>	<b>18,171</b>

## 5.5. Other operating income

	for the period 1/01/2024 – 31/03/2024	for the period 1/01/2023 – 31/03/2023
Revenue from compensations received	270	485
Revenue from provisions released	189	343
Revenue from overdue liabilities	4	24
Other revenue	89	14
Profit on disposal of financial fixed assets	12,173	0
<b>Total</b>	<b>12,725</b>	<b>866</b>

## 5.6. Other expenses and losses

	<b>for the period</b> <b>1/01/2024 – 31/03/2024</b>	<b>for the period</b> <b>1/01/2023 – 31/03/2023</b>
Costs of damages paid	275	387
Costs of receivables written off	6	1
Costs of created provisions	263	0
Costs of litigation	33	4
Other costs	15	11
<b>Total</b>	<b>592</b>	<b>403</b>

### 5.7. Financial revenue

	<b>for the period</b> <b>1/01/2024 – 31/03/2024</b>	<b>for the period</b> <b>1/01/2023 – 31/03/2023</b>
Interest on cash and cash equivalents (deposits)	1,017	729
Interest on cash and cash equivalents (bonds)	194	157
Interest on borrowings and receivables	51	13
Capital revenue	574	0
Revenue from measurement of financial instruments	0	76
<b>Total</b>	<b>1,836</b>	<b>975</b>

## 5.8. Financial costs

	for the period 1/01/2024 – 31/03/2024	for the period 1/01/2023 – 31/03/2023
Interest on leases	13	20
Interest on bank loans and borrowings	52	23
Discount on liabilities covered by the arrangements	676	662
<b>Total</b>	<b>741</b>	<b>705</b>

## 6. Income tax

	for the period 1/01/2024 – 31/03/2024	for the period 1/01/2023 – 31/03/2023
Current tax	6,813	5,319
Deferred tax	-2,400	-3,586
<b>Total</b>	<b>4,413</b>	<b>1,733</b>

### 6.1. Deferred tax

Value of deferred income tax subject to offsetting:

	31/03/2024	31/12/2023
Deferred income tax assets:		
deferred income tax assets falling due within 12 months	2,841	3,873
	<b>2,841</b>	<b>3,873</b>
Deferred income tax provisions:		
– deferred income tax provisions falling due within 12 months	6,009	9,537
	<b>6,009</b>	<b>9,537</b>
Deferred income tax assets	<b>2,841</b>	<b>3,873</b>
Deferred income tax provisions	<b>6,009</b>	<b>9,537</b>
Deferred income tax assets / provisions (account balance)	<b>-3,168</b>	<b>-5,664</b>

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

	31/03/2024	31/12/2023
Opening balance	-5,664	-4 087
Credit of/charge on the financial result	2,400	-1,120
Increase/decrease in equity	95	-460
	1	3
<b>Closing balance</b>	<b>-3,168</b>	<b>-5,664</b>

## 7. Investment real property

Investment real properties include:

- acquired rights of perpetual usufruct of land,
- ownership of buildings.

As at 31 March 2024, the carrying amount of real properties is PLN 793 thousand. Real property is measured at the acquisition price.

As at 31/12/2023, investment real property worth PLN 3,811 thousand was reclassified as held for sale.

## 8. Goodwill

	31/03/2024	31/12/2023	31/03/2023
<b>Carrying amount of goodwill</b>			
KRAKVET MARKETING Sp. z o.o.	0	0	698
BRON.PL Spółka Akcyjna	2,415	2,415	0
PDS CARE Sp. z o.o.	1,783	0	0
<b>Total carrying amount</b>	<b>4,198</b>	<b>2,415</b>	<b>698</b>

	31/03/2024	31/12/2023	31/03/2023
Opening balance of goodwill	2,415	698	698
Increase in goodwill resulting from acquisition	1,783	2,415	0
Decrease in goodwill resulting from impairment	0	-698	0
<b>Total carrying value at the end of the period</b>	<b>4,198</b>	<b>2,415</b>	<b>698</b>

In the reporting period, the Parent acquired 60 of the 100 shares in PDS CARE Sp. z o.o with its registered office in Łódź.

The total payment made by the Parent Company to the previous shareholders amounted to PLN 2,843 thousand and included the purchase price of the shares paid with its own cash.

PDS CARE Sp. z o.o. conducts business activities in the area of trading in medical and rehabilitation products with particular focus on the requirements of the elderly, including through its online shop PomoceDlaSeniora.pl and medsenio.pl and a brick-and-mortar shop.

In the Company's opinion, the described transaction will allow to expand and diversify 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 portfolio, which is in line with the long-term assumptions of the Company and its well-established commercial policy.



The fair value measurement of the Group's identified asset and liability items of the acquired PDS CARE Sp. z o.o. at the date of acquisition is shown in the table below:

<b>Fair value at the date of acquisition (29/02/2024)</b>	
Property, plant and equipment	6
Inventories	656
Receivables and borrowings	747
Other assets	34
Cash	770
<b>Total assets</b>	<b>2,213</b>
Trade liabilities	445
<b>Total liabilities</b>	<b>445</b>
Fair value of net assets	1,768
Goodwill (+)	<b>1,783</b>
Payment for the acquired entity:	2,843
Non-controlling entities	707

## 9. Inventories

	<b>31/03/2024</b>	<b>31/12/2023</b>	<b>31/03/2023</b>
Materials	0	0	0
Goods	261,855	305,918	261,580
Advances on deliveries	0	0	0
	261,855	305,918	261,580
Impairment write-downs on inventories	-3,243	-4,307	-4,255
<b>Inventories</b>	<b>258,612</b>	<b>301,611</b>	<b>257,325</b>

### 9.1. Impairment write-downs on inventories

	<b>31/03/2024</b>	<b>31/12/2023</b>	<b>31/03/2023</b>
Opening write-down on inventories	-4,307	-6,233	-6,233
Created (Costs of products, goods and materials sold)	-865	-1,981	-814
Utilised (Costs of products, goods and materials sold)	0	0	0
Released (Costs of products, goods and materials sold)	1,929	3,907	2,792
<b>Closing write-down on inventories</b>	<b>-3,243</b>	<b>-4,307</b>	<b>-4,255</b>

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

	31/03/2024	31/12/2023	31/03/2023
Opening balance of impairment write-down on receivables	-6,098	-6,736	-6,736
Created	-384	-1,390	-450
Utilised	2,867	177	4
Released	99	1,851	767
<b>Closing balance of impairment write-down on receivables</b>	<b>-3,516</b>	<b>-6,098</b>	<b>-6,415</b>

## 11. Other financial assets

	31/03/2024	31/12/2023	31/03/2023
Corporate bonds	6,839	8,341	8,201
<b>Other financial assets – derivatives</b>	<b>6,839</b>	<b>8,341</b>	<b>8,201</b>
Short-term	<b>6,839</b>	<b>8,341</b>	<b>8,201</b>

## 12. Non-current assets classified as held for sale

	31/03/2024	31/12/2023	31/03/2023
Investment real property reclassified for sale	793	3,811	0
	<b>793</b>	<b>3,811</b>	<b>0</b>

As at 1/01/2024, investment real property worth PLN 3,811 thousand was reclassified as held for sale.

On 27.02.2024, the Parent Company concluded sales agreements of the real property located in Krakow, at ul. Zakopiańska, the subject of the right of perpetual usufruct and ownership of the building located on it, consisting of registered plots no: 191/5, 191/6 (land and mortgage register no. KR1P/00331683/5), 190/8 (land and mortgage register no. KR1P/00331682/8) and 190/9 (land and mortgage register no. KR1P/00366251/2) with a total land area of 4,064 sq.m. (the “Real Property”).

The value of the sale transaction amounted to PLN 18.8 million in the reporting period.

With regard to plot No. 190/9, the sales agreement was concluded on the condition that the authorised municipality does not exercise its statutory right of pre-emption. A conditional additional payment is made in the event that the parameters of the construction permit would provide for a development of more than 6,000 square metres. In such a case, the excess area would be converted at the rate of PLN 3.4 thousand. (plus VAT) for each additional square metre above the aforementioned figure of 6,000 square metres.

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

	31/03/2024	31/12/2023	31/03/2023
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Long-term			
Bank loan	293	293	0
Lease liabilities	889	1,066	1,627
	1,182	1,359	1,627
Short-term			
Overdraft facility	635	1,050	0
Borrowings	770	772	1 000
Lease liabilities	824	850	837
	2,229	2 672	1,837
<b>Total</b>	<b>3,411</b>	<b>4,031</b>	<b>3,464</b>

### 13.1. Lease liabilities

	31/03/2024	31/12/2023	31/03/2023
<b>Nominal value of minimum lease payments</b>			
Up to 1 year	989	1,020	1,072
1 to 5 years	1,067	1,280	2,084
<b>Total financial lease liabilities – total minimum lease payments</b>	<b>2,056</b>	<b>2,300</b>	<b>3,156</b>
Financial costs due to financial lease	343	384	692
<b>Present value of minimum lease payments</b>			
Up to 1 year	824	850	837
1 to 5 years	889	1,066	1,627
<b>Total current value of minimum lease payments</b>	<b>1,713</b>	<b>1,916</b>	<b>2,464</b>

## 14. Contingent assets and liabilities

As of 31 March 2024 the Group had contingent receivables due to repayment of receivables of PLN 3,617 thousand. Hedging liabilities under agreements signed as of the reporting date which are not reflected in the Group's interim condensed consolidated financial statements amounted to PLN 11,369 thousand as of 31 March 2024 PLN 14,835

	31/03/2024	31/12/2023	31/03/2023
1. Contingent receivables	3,617	3,619	2,106
1.1. From related entities (due to)	0	0	0
– guarantees and sureties received	0	0	0
1.2. From other entities (due to)	3,617	3,619	2,106
– guarantees and sureties received	3,617	3,619	2,106
2. Contingent liabilities	14,835	14,806	7,396
1.1. To related entities (due to)	0	0	0
– guarantees and sureties granted	0	0	0
1.2. To other entities (due to)	14,835	14,806	7,396
– guarantees and sureties granted	14,835	14,806	7,396
– letters of credit	0	0	0
3. Other (due to)	0	0	0
<b>Total off-balance sheet items</b>	<b>18,452</b>	<b>18,425</b>	<b>9,502</b>

## 15. 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. 31/03/2024, the Issuer made repayments in the total amount of PLN 90,505, EUR 2,215k and USD 5,060k in the form of cash payments. These amounts include one-off payments (Group II and III of the Scheme of Arrangements) and fourteen instalments paid to Group I creditors and the first part of the payment to Group IV creditors. A total of PLN 61,255k, 31/03/2024, a total of PLN 53,577k, EUR 1,253k and USD 4,079k remain under the Scheme of Arrangements.

The Company repaid 14 instalments under the Scheme of Arrangements on 20-21/03/2024.

## 16. Events after the balance sheet date

On 25/04/2024, the Management Board announced that the Company signed a letter of intent with the participation of an entity interested in acquiring the Issuer's real property located in Zamienie at Arakowa Street, constituting an object of perpetual usufruct, designated as a registered plot no: 23/9 (Land and Mortgage Register No. WA5M/00428871/4) with a total land area of 4,960 sq.m., after its separation from registered plot 23/2 (the "Real Property"). The aforementioned letter of intent constitutes a document indicating the principal terms and conditions of the transaction for the disposal of the Real Property and the actions required to make a decision on concluding such a transaction. The letter of intent specifically proposes a purchase price for the Real Property of PLN 5.32 million (increased by VAT). The letter of intent also sets out the rules for the verification activities to be carried out by the entity interested in acquiring the Real Property, during which the Company shall not enter into discussions regarding the sale of the Real Property with other entities. The letter of intent does not constitute an offer or commitment to enter into any agreement and the terms and conditions set out therein are not binding. In the event that the parties decide to execute the transaction after the aforementioned verification activities, the referenced document shall be the basis for further work and arrangements aimed at agreeing on the final terms of the Real Property sale transaction. The Issuer also informs that the execution of the Real Property sale transaction is also subject to obtaining consent of the Supervisory Board in accordance with the Issuer's Articles of Association. In the opinion of the Management Board of the Company, the planned sale of the Real Property shall not adversely affect the Company's operating activities. The Real Property was not used economically by the Company. The Management Board of the Issuer also assumes that the funds obtained from the sale of the described Real Property can be used for further development of the Company and its Capital Group, including the Company's planned acquisition activities.

### III. Other quarterly financial information

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

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

	Q1 2024	Q1 2023
<b>Net sales</b>	<b>615,578</b>	<b>586,243</b>
<b>Gross profit on sales</b>	<b>53,039</b>	<b>51,099</b>
<i>gross margin</i>	8.62%	8.72%
<b>EBIT</b>	<b>19,643</b>	<b>11,042</b>
<i>EBIT margin</i>	3.19%	1.88%
<b>Net profit</b>	<b>15,931</b>	<b>9,256</b>
<i>net margin</i>	2.59%	1.58%

In Q1 2024 the Group earned sales revenue of PLN 615,578 thousand, up by 5% in relation to the turnover recorded in the corresponding period in the preceding year. In this period the Group recorded a profit at all analytical levels. The sales profit of PLN 53,039 thousand, an operating profit of PLN 19,643 thousand. Net profit for Q1 2024 amounted to PLN 15,931 thousand. The gross margin rate was 8.62% in the analysed period. In the opinion of the Management Board of ACTION S.A., the results of the first quarter of 2024 were mainly affected by high inflation, which was accompanied by a significant increase in operating costs, in particular the costs indirectly related to or derivative costs of energy and fuel as well as labour costs.

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

	Q1 2024	Q2 2023
<b>Net sales</b>	<b>608,904</b>	<b>586,243</b>
<b>Gross profit on sales</b>	<b>50,472</b>	<b>51,049</b>
<i>gross margin</i>	8.29%	8.71%
<b>EBIT</b>	<b>19,344</b>	<b>11,062</b>
<i>EBIT margin</i>	3.18%	1.89%
<b>Net profit</b>	<b>16,109</b>	<b>9,653</b>
<i>net margin</i>	2.65%	1.65%

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

In Q1 2024, the most significant event affecting the results of the Company and the entire ACTION CG was the outbreak of war in Ukraine, and all the consequences resulting therefrom:

**1. Considering consequences of the war in Ukraine, the most important unfavourable events include:**

- high inflation,
- falling consumer sentiment in Poland and Europe,
- a reduced level of investment due to the increasing uncertainty as to the future situation.
- increasing levels of consumer savings in Poland.

**2. Considering the effects on the scheme of arrangements, the most significant were:**

- the continued low level of insurance limits for Suppliers,
- continued financial costs due to discount of long-term arrangement liabilities.
- decrease in negative cash flows from operating activities.

**In addition, significant factors that influenced the achieved results were:**

- lack of the effect of consumer demand from Ukrainian immigrants observed in the first quarter of 2024
- Continued high level of interest rates, negatively affecting credit dynamics.

All above aspects had an impact on the results presented in the reporting period.

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

On 4 July 2014, ACTION S.A. issued 10,000 bearer, dematerialised, coupon, unsecured bonds 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.

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

Series ACT01040717 bonds were brought to the CATALYST market operating as

BondSpot S.A. as an alternative trading system. The first listing took place on 9 September 2014.

Claims on account of redemption and interest on series ACT01 040717 bonds which payment dates fell after the opening date of the remedial proceedings were included in the arrangements by virtue of the law pursuant to Article 150(1)(1) of the Restructuring Law.

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

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

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, constituting 7.5% of the principal amount, will be repaid in cash on the last working day of the calendar month following the quarter in which the last quarterly instalment payable to Group I Creditors was due, i.e. on 31/01/2028. This amount is presented in the item "Long-term liabilities subject to arrangement repayments".

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

In 2023, the Company has a profit. In accordance with the draft resolutions published on 22/05/2024 in current report no 43/2024, the entire profit made in 2023 is allocated to the supplementary capital.

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

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

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

Changes in the structure of the Action CG are described in detail in Note 1.2 of this Report.

#### 7. Indication of shareholders holding directly or indirectly through subsidiaries at least 5% of the total number of votes at the general meeting of the Company

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 31 March 2024:

##### Shareholding structure above 5% of the total number of votes at the AGM and shareholding:

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
Fundacja Rodzinna Bielińskich	3,556,447	18.98%	3,556,447	18.98%
Aleksandra Matyka	3,093,457	16.51%	3,093,457	16.51%
Wojciech Wietrzykowski	1,119,057	5.97%	1,119,057	5.97%
Lemuria Partners Sicav P.L.C.	1,320,000	7.04%	1,320,000	7.04%
Teamworks FZE	1,300,000	6.94%	1,300,000	6.94%
ACTION S.A.	2,200,000	11.74%	2,200,000	11.74%
Other	6,148,039	32.82%	6,148,039	32.82%

Composition of the shareholding above 5% as at the date of the Q1 2024 report, i.e. 29 May 2024, remained unchanged and was 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
Fundacja Rodzinna Bielińskich	3,556,447	18.98%	3,556,447	18.98%
Aleksandra Matyka	3,093,457	16.51%	3,093,457	16.51%
Wojciech Wietrzykowski	1,119,057	5.97%	1,119,057	5.97%
Lemuria Partners Sicav P.L.C.	1,320,000	7.04%	1,320,000	7.04%
Teamworks FZE	1,300,000	6.94%	1,300,000	6.94%
ACTION S.A.	2,200,000	11.74%	2,200,000	11.74%
Other	6,148,039	32.82%	6,148,039	32.82%



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

As of the date of submitting the annual report for 2023, i.e. 25 April 2024, the managing and supervising persons held the following shares in ACTION S.A.:

First and last name	Position in the management of ACTION S.A.	number of shares of ACTION S.A.
Piotr Bieliński	President of the Management Board	0
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	Independent Member of the Supervisory Board	0
Adam Świtalski	Independent Member of the Supervisory Board	0
Wojciech Wietrzykowski	Holder of the commercial power of attorney	1,119,057
Andrzej Biały	Holder of the commercial power of attorney	18,660

According to the information available to the Company, the above data did not change as of the date of submitting these Statements for Q1 2024, i.e. on 29 May 2024, and it 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	0
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	Independent Member of the Supervisory Board	0
Adam Świtalski	Independent Member of the Supervisory Board	0
Wojciech Wietrzykowski	Holder of the commercial power of attorney	1,119,057
Andrzej Biały	Holder of the commercial power of attorney	18,660

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

The Parent 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 tax liability for August, September, October and November 2010. The parent company filed a complaint against this decision to the administrative court, which was resolved in favour of the Issuer on 9/11/2023. The verdict in this case is not final as the Director of the Tax Administration Chamber in Warsaw filed a cassation appeal against it to the Supreme Administrative Court. The amount of the object of the dispute in this case was PLN 3,442k. In addition, the Parent 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 3.3 Taxes.

The total value of liabilities resulting from decisions subject to court proceedings and administrative proceedings concerning VAT and CIT described in note 3.3 Taxes recognised in the books as at 31 March 2024 amounts to PLN 7,244 thousand. 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. Information on the conclusion by the Company or its subsidiary of one or more transactions with related parties, if they are material (individually or jointly) and if they were concluded on other than market terms, with an indication of their value**

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

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

Hedging liabilities (guarantees, sureties and letters of credit) with respect to third parties, arising from agreements signed as of 31 March 2024, amounted to PLN 14,835 thousand. The share in the Company's equity of guarantees and sureties granted to one entity did not exceed 10% and is not significant. Guarantees and sureties granted have been described in note 6 of *the Notes on the condensed consolidated financial statements – Contingent assets and liabilities*.

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

Until the publication of this report, there were no such information other than those included in this report and published in the form of current reports. Furthermore, as in the previous periods, by the end of 2024 the Company will be undertaking a range of measures aimed at adjusting the employment structure to its current needs.

#### **13. Factors influencing the Group's results by the end of 2024**

##### **13.1. Internal factors**

- Include the ongoing handling of arrangement payments as an essential element in the Issuer's liquidity management.
- Strict control of the effectiveness of managing the current assets, in particular inventories.
- Ongoing analysis and control of:
  - the profitability of transactions and markets served with a clear focus on the market of small clients and the retail market, in particular e-commerce in Poland and abroad;
  - risks connected with the Company's operations and undertaking measures aimed at their limitation or elimination.
  - the cost and operational efficiency of the business;
  - the efficiency of logistics processes.

- Continuous supervision of the development of the Sferis.pl, Krakvet.pl, Bron.pl, pomocedlaseniора.pl and 1.pl platforms.
- Actively seeking out new opportunities to develop your own e-commerce.
- Operations connected with active participation in the electromobility market.

### 13.2.External factors

The Issuer's situation in the context of changes in the environment is monitored in detail by the Management Board of ACTION S.A., which adjusts the existing processes if necessary and incorporates the impact of key external factors into the strategic priorities.

## MACROECONOMIC SITUATION

According to data published by EUROSTAT, economic growth in Poland in 2023 was 0.2%. There was a decline in private consumption, although available forecasts indicate that it is to be one of the main levers of economic recovery in 2024 and 2025. The inflation rate is also anticipated to decrease and remain within the inflation target.

## WAR IN UKRAINE

Due to the political and economic situation on the territory of Ukraine and the maintenance of the CRP alert level on the territory of Poland by the President of the Council of Ministers regarding increased threats of a terrorist nature resulting from the geopolitical situation in the region, including an armed attack on Ukraine and hybrid actions on the part of Russia and Belarus (potential risks for the security of ICT systems and for the security of the territory of the Republic of Poland in connection with identified threats resulting from the tense situation in the region), the Issuer monitors and assesses the impact of the above situation on the activities of 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 Group in the future.

However, in the event of unexpected circumstances, in particular prolonged military operations or extension of their territorial scope, as well as prolonged energy crisis, potential disruptions in supply chains and a general increase in operating expenses may occur, which could have a negative impact on the activities of the Company and the Capital Group.

## 14. Transactions with related entities

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

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

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

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

**Data as of 31 March 2024 and for the period 1/01/2024 – 31/03/2024**

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

**Data as of 31 March 2023 and for the period 1/01/2023 – 31/03/2023**

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

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

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

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

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

\*\*\*\*) Fundacja Rodzinna Bielińskich in organisation, with its registered office in Warsaw.

## 15. Transactions with consolidated associates.

Data as of 31 March 2024 and for the period 1/01/2024 – 31/03/2024

	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 of 31 March 2023 and for the period 1/01/2023 – 31/03/2023

	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>

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

The Interim Condensed Financial Statements of ACTION S.A. for the quarter ending 31 March 2024 comprise: the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the cash flow statement and selected 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 their knowledge, the quarterly condensed financial statements and comparative data were prepared in compliance with accounting policies in force and that they give a true and fair view of the Company's state of affairs, property, financial position and financial result.

During the period covered by the financial statements, the Company kept its accounting books in accordance with International Financial Reporting Standards ("IFRS") approved by the EU, issued and binding as of the balance-sheet date, and in matters not regulated by the above standards, in compliance with the Polish Accounting Act of 29 September 1994 (Journal of Laws of 2023, item 120 as amended).

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Piotr Bieliński

Sławomir Harazin

President of the Management Board

Vice-President of the Management Board

Zamienie, 29 May 2024

## V. Interim condensed financial statements of ACTION S.A. for the period from 1 January 2024 to 31 March 2024

SELECTED SEPARATE FINANCIAL DATA	in PLN k		in EUR k	
	Period	Period	Period	Period
	from 01/01/2024 to 31/03/2024	from 01/01/2023 to 31/03/2023	from 01/01/2024 to 31/03/2024	from 01/01/2023 to 31/03/2023
I. Net revenues from sales of products, goods and materials	608,904	586,243	140,914	124,719
II. Gross profit/loss on sales	50,472	51,049	11,680	10,860
III. Profit/loss on operating activities	19,344	11,062	4,477	2,353
IV. Net profit/loss attributable to the Company's shareholders	16,109	9,653	3,728	2 054
V. Net cash flow from operating activities	55,454	37,614	12,833	8,002
VI. Net cash flow from investment activities	14,948	-6,989	3,459	-1,487
VII. Net cash flow from financial activities	-37,567	-10,581	-8,694	-2,251
VIII. Net increases (decreases) in cash	32,835	20,044	7,599	4,264
IX. Profit/loss per ordinary share *) (in PLN/EUR)	0.86	0.49	0.20	0.10
	As at 31/03/2024	As at 31/12/2023	As at 31/03/2024	As at 31/12/2023
X. Total assets	639,863	685,311	148,774	157,615
XI. Liabilities	209,534	236,492	48,719	54,391
XII. Long-term liabilities	58,491	64,366	13,600	14,804
XIII. Short-term liabilities	151,043	172,126	35,119	39,587
XIV. Equity attributable to the Company's shareholders	430,329	448,819	100,056	103,224
XV. Share capital	1,874	1,874	436	431
XVI. Weighted average number of shares** (quantity)	18,737,000	19,549,055	18,737,000	19,549,055
XVII. Book value per share ***) (in PLN/EUR)	22.97	22.96	5.34	5.28

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

\*\* The number of shares includes the change in the nominal value of series A shares from PLN 1 to PLN 0.10; at the same time, 1 share of PLN 1 is divided into 10 shares, each with the nominal value of PLN 0.10. The change was made on 11 April 2006 under a resolution of the Extraordinary General Meeting of Shareholders.

\*\*\* The book value per share was calculated as the quotient of Equity and the Number of shares.

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

### PLN TO EUR EXCHANGE RATES

Period	Average exchange rate in the period	Minimum exchange rate in the period****)	Maximum exchange rate in the period****)	Exchange rate as at the last day of the period
01/01/2024 - 31/03/2024	4.3211	4.3009	4.3434	4.3009
01/01/2023 - 31/12/2023	4.5284	4.5756	4.7170	4.3480

01/01/2023 - 31/03/2023

4.7005

4.6755

4.7170

4.6755

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

- items concerning the statement of comprehensive income and the cash flow statement were converted at the exchange rate being the arithmetic mean of the average minimum and maximum exchange rates published by the National Bank of Poland, in force on the last day of each month, the exchange rate for Q1 2024 was EUR 1 = PLN 4.3211, for Q1 2023 – EUR 1 = PLN 4.7005;
- items of the statement of financial position were converted at the average exchange rate published by the National Bank of Poland as of the balance-sheet date; as of 31 March 2024, this exchange rate was: EUR 1 = PLN 4.3009, as of 31 December 2023: EUR 1 = PLN 4.3480 and as of 31 March 2023: EUR 1 = PLN 4.6755.

## Statement of comprehensive income

All revenue and costs relate to continuing operations.

	Note	Period from 01/01/2024 to 31/03/2024	Period from 01/01/2023 to 31/03/2023
Sales revenue		608,904	586,243
Costs of products, goods and materials sold		-558,432	-535,194
<b>Gross profit/loss on sales</b>		<b>50,472</b>	<b>51,049</b>
Sales and marketing costs		-32,645	-30,419
General administration costs		-10,416	-10,005
Other operating income		12,512	840
Other expenses and losses		-579	-403
<b>Profit/loss on operating activities</b>		<b>19,344</b>	<b>11,062</b>
Financial revenue		1,850	1,006
Financial costs		-692	-682
<b>Profit/loss before tax</b>		<b>20,502</b>	<b>11,386</b>
Income tax		-4,393	-1,733
<b>Profit/loss on continuing operations</b>		<b>16,109</b>	<b>9,653</b>
Net profit/loss on discontinued operations		0	0
<b>Net profit / loss for the financial period</b>		<b>16,109</b>	<b>9,653</b>
Other components of comprehensive income			
Measurement of cash flow hedges		1,923	1,064
Income tax		-365	-202
Other components of net comprehensive income that may be reclassified to profit or loss		1,558	862
<b>Comprehensive income for the period</b>		<b>17,667</b>	<b>10,515</b>

## PROFIT PER SHARE

	Period from 01/01/2024 to 31/03/2024	Period from 01/01/2023 to 31/03/2023
Basic profit/loss on continuing operations	0.86	0.48
Basic profit/loss on discontinued operations	0.00	0.00
Profit / loss per share (in PLN)	0.86	0.48



Diluted profit / loss on continuing operations	0.86	0.48
Diluted profit / loss on discontinued operations	0.00	0.00
Diluted profit / loss per share (in PLN)	0.86	0.48
<b>Weighted average number of shares</b>	<b>18,737,000</b>	<b>20,037,000</b>
<b>Diluted number of shares</b>	<b>18,737,000</b>	<b>20,037,000</b>

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Piotr Bieliński

President of the Management Board

Sławomir Harazin

Vice-President of the Management Board

Zamienie, 29 May 2024

## Statement of financial position

	Note	31/03/2024	31/12/2023	31/03/2023
<b>ASSETS</b>				
Property, plant and equipment		131,452	132,819	137,162
Goodwill		0	0	0
Other intangible assets		6,631	5,908	5,612
Investment real property		0	0	3,703
Financial assets		7,775	4,932	500
Other financial assets		0	0	0
Deferred income tax assets		0	0	0
Trade and other receivables		0	0	0
<b>Non-current assets</b>		<b>145,858</b>	<b>143,659</b>	<b>146,977</b>
Inventories		255,123	298,132	257,385
Trade and other receivables		123,217	156,170	174,853
Current income tax receivables		0	0	0
Derivative financial instruments		0	0	160
Other financial assets		6,839	8,341	8,201
Cash and cash equivalents		108,033	75,198	75,255
<b>Current assets other than non-current assets held for trading</b>		<b>493,212</b>	<b>537,841</b>	<b>515,854</b>
<b>Non-current assets classified as held for sale</b>		<b>793</b>	<b>3,811</b>	<b>0</b>
<b>Total current assets</b>		<b>494,005</b>	<b>541,652</b>	<b>515,854</b>
<b>TOTAL ASSETS</b>		<b>639,863</b>	<b>685,311</b>	<b>662,831</b>
<b>EQUITY</b>				
Share capital		1,874	1,874	2 004
Share premium		77,207	77,207	77,207
Treasury shares		-57,699	-20,373	-18,300
Retained profit		407,389	388,152	380,432
Other reserves		1,558	1,959	862
<b>TOTAL EQUITY</b>		<b>430,329</b>	<b>448,819</b>	<b>442,205</b>
<b>LIABILITIES</b>				
Loans, borrowings and other liabilities on account of financing		0	0	0
Lease liabilities		889	1,066	1,627
Trade and other liabilities		54,412	57,615	69,354
Deferred income tax provisions		3,190	5,685	703
<b>Long-term liabilities</b>		<b>58,491</b>	<b>64,366</b>	<b>71,684</b>
Trade and other liabilities		139,740	166,574	143,373
Loans, borrowings and other liabilities on account of financing		0	0	0
Lease liabilities		824	850	837
Current income tax liabilities		9,239	3,462	3,619
Provisions for employee benefits		1,240	1,240	1,113
Provisions for other liabilities and charges		0	0	0
Derivative financial instruments		0	0	0
<b>Short-term liabilities</b>		<b>151,043</b>	<b>172,126</b>	<b>148,942</b>

<b>Total liabilities</b>		<b>209,534</b>	<b>236,492</b>	<b>220,626</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>639,863</b>	<b>685,311</b>	<b>662,831</b>

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Piotr Bieliński

President of the Management Board

Sławomir Harazin

Vice-President of the Management Board

Zamienie, 29 May 2024

## 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 2024</b>	<b>1,874</b>	<b>77,207</b>	<b>-20,373</b>	<b>388,152</b>	<b>1,959</b>	<b>448,819</b>
Changes in equity:	<b>0</b>	<b>0</b>	<b>-37,326</b>	<b>19,237</b>	<b>-401</b>	<b>-18,490</b>
Acquisition of treasury shares	0	0	-37,326	0	0	-37,326
Total comprehensive income	0	0	0	16,109	-401	15,708
Redemption of treasury shares	0	0	0	0	0	0
Other	0	0	0	3,128	0	3,128
<b>As of 31 March 2024</b>	<b>1,874</b>	<b>77,207</b>	<b>-57,699</b>	<b>407,389</b>	<b>1,558</b>	<b>430,329</b>
<b>As of 1 January 2023</b>	<b>2 004</b>	<b>77,207</b>	<b>-7,982</b>	<b>370,779</b>	<b>0</b>	<b>442,008</b>
Changes in equity:	<b>-130</b>	<b>0</b>	<b>-12,391</b>	<b>17,373</b>	<b>1,959</b>	<b>6,811</b>
Acquisition of treasury shares	0	0	-32,857	0	0	-32,857
Total comprehensive income	0	0	0	37,717	1,959	39,676
Redemption of treasury shares	-130	0	20,466	-20,344	0	-8
Other	0	0	0	0	0	0
<b>As of 31 December 2023</b>	<b>1,874</b>	<b>77,207</b>	<b>-20,373</b>	<b>388,152</b>	<b>1,959</b>	<b>448,819</b>
<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>-10,318</b>	<b>9,653</b>	<b>862</b>	<b>197</b>
Issue of shares	0	0	-10,318	0	0	-10,318
Total comprehensive income	0	0	0	9,653	862	10,515
Other	0	0	0	0	0	0
<b>As of 31 March 2023</b>	<b>2 004</b>	<b>77,207</b>	<b>-18,300</b>	<b>380,432</b>	<b>862</b>	<b>442,205</b>

Piotr Bieliński

President of the Management Board

Sławomir Harazin

Vice-President of the Management Board

Zamienie, 29 May 2024

## Cash flow statement

	Note	Period from 01/01/2024 to 31/03/2024	Period from 01/01/2023 to 31/03/2023
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<b>Cash flow from operating activities</b>			
<b>Gross profit/loss for the financial period</b>		<b>20,502</b>	<b>11,386</b>
<b>Adjustments:</b>		<b>35,967</b>	<b>27,488</b>
Amortisation and depreciation of fixed and intangible assets		2,007	2,163
Profit (loss) on investment activities		-12,736	-81
Interest revenue		-1,276	-930
Interest expenses		13	20
Other		-3,743	862
Changes in working capital:			
Inventories		43,009	6,177
Trade and other receivables		32,953	3,070
Trade and other liabilities		-24,260	16,207
Income tax paid		-1,015	-1,260
<b>Net cash flow from operating activities</b>		<b>55,454</b>	<b>37,614</b>
Cash flow from investment activities			
Acquisition of property, plant and equipment and intangible assets		-1,964	-1,064
Acquisition of investment real properties		0	0
Inflows from sale of property, plant and equipment and from intangible assets		18,800	0
Other investment inflows/outflows		-1,888	-5,925
<b>Net cash flow from investment activities</b>		<b>14,948</b>	<b>-6,989</b>
Cash flow from financing activities			
Inflows from the issue of shares		0	0
Acquisition of treasury shares		-37,326	-10,318
Loans and borrowings received		0	0
Repayment of loans and borrowings		0	0
Dividends paid		0	0
Interest paid		-13	-20
Payments of liabilities under lease agreements		-228	-243
Other financial inflows/outflows		0	0
<b>Net cash flow from financial activities</b>		<b>-37,567</b>	<b>-10,581</b>
<b>Net increase/decrease in cash</b>		<b>32,835</b>	<b>20,044</b>
Opening balance of cash		75,198	55,211
Foreign exchange gains (losses) on measurement of cash		0	0
<b>Closing balance of cash</b>		<b>108,033</b>	<b>75,255</b>

Piotr Bieliński

Sławomir Harazin

President of the Management Board

Vice-President of the Management Board

Zamienie, 29 May 2024

## Notes

### 1. Significant estimates

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

Value of deferred income tax subject to offsetting:

	31/03/2024	31/12/2023
Deferred income tax assets:		
deferred income tax assets falling due within 12 months	2,813	3,846
	2,813	3,846
Deferred income tax provisions:		
– deferred income tax provisions falling due within 12 months	6,003	9,531
	6,003	9,531
Deferred income tax assets	<b>2,813</b>	<b>3,846</b>
Deferred income tax provisions	<b>6,003</b>	<b>9,531</b>
Deferred income tax assets / provisions (account balance)	<b>-3,190</b>	<b>-5,685</b>

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

	31/03/2024	31/12/2023
Opening balance	-5,685	-4 087
Credit of/charge on the financial result	2,400	-1,138
Increase/decrease in equity	-95	-460
Closing balance	<b>-3,190</b>	<b>-5,685</b>

### 2. Write-downs on assets

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

	31/03/2024	31/12/2023	31/03/2023
Opening balance of impairment write-down on long-term financial assets	-3,397	-2,897	-2,897
Created	0	-500	0
Utilised	0	0	0
Released	0	0	0
Closing balance of impairment write-down on long-term financial assets	<b>-3,397</b>	<b>-3,397</b>	<b>-2,897</b>

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

31/03/2024	31/12/2023	31/03/2023
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Opening balance of impairment write-down on short-term financial assets	-725	-3,102	-3,102
Created	0	0	0
Utilised	0	2,157	0
Released	0	220	0
Closing write-down on short-term financial assets	-725	-725	-3,102

### 2.3. Impairment write-downs on inventories

	31/03/2024	31/12/2023	31/03/2023
<b>Opening write-down on inventories</b>	-4,255	-6,233	-6,233
Created (Costs of products, goods and materials sold)	-865	-1,929	-814
Utilised	0	0	0
Released (Costs of products, goods and materials sold)	1,929	3,907	2,792
<b>Closing write-down on inventories</b>	<b>-3,191</b>	<b>-4,255</b>	<b>-4,255</b>

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

	31/03/2024	31/12/2023	31/03/2023
<b>Opening balance of impairment write-down on receivables</b>	<b>-6,096</b>	<b>-6,736</b>	<b>-6,736</b>
Created	-384	-1,388	-450
Utilised	2,867	177	4
Released	99	1,851	767
<b>Closing balance of impairment write-down on receivables</b>	<b>-3,514</b>	<b>-6,096</b>	<b>-6,415</b>

### 3. Contingent assets and liabilities

As at 31 March 2024, the Company had contingent receivables relative to the repayment of liabilities of PLN 3,617 thousand. Hedging liabilities under agreements signed as of the reporting date which are not reflected in the Company's interim condensed financial statements amounted to PLN 14,835 thousand as of 31 March 2024

	31/03/2024	31/12/2023	31/03/2023
1. Contingent receivables	3,617	3,619	2,106
1.1. From related entities (due to)	0	0	0
– guarantees and sureties received	0	0	0
1.2. From other entities (due to)	3,617	3,619	2,106
– guarantees and sureties received	3,617	3,619	2,106
2. Contingent liabilities	14,835	14,806	7,396
1.1. To related entities (due to)	0	0	0
– guarantees and sureties granted	0	0	0
1.2. To other entities (due to)	14,835	14,806	7,396
– guarantees and sureties granted	14,835	14,806	7,396
– letters of credit	0	0	0
3. Other (due to)	0	0	0
Total off-balance sheet items	<b>18,452</b>	<b>18,425</b>	<b>9,502</b>

#### 3.1. Guarantees and sureties granted

As of 31 March 2024 the value of guarantees and sureties granted stood at PLN 14,835 thousand, of which:  
to other entities

- Bank guarantees totalling PLN 1,068k (EUR 248k),
- Bank guarantees totalling PLN 3,042k (USD 763k),
- Bank guarantees totalling PLN 10,725k.

### 4. Business combinations

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

This interim condensed consolidated financial statements were approved by the Management Board of ACTION S.A. on 29 May 2024.

Signatures of all Management Board Members

**Piotr Bieliński**

**President of the Management Board**

**Sławomir Harazin**

**Vice-President of the Management Board**

Zamienie, 29 May 2024