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CONSOLIDATED HALF-YEARLY REPORT OF GK ACTION S.A.

for H1 2024

27 September 2024

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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 prepared to present the financial position, performance and cash flows 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 Polish Accounting Act of 29 September 1994.

These abbreviated consolidated half-yearly financial statements of the ACTION S.A. Capital Group for the period ended 30 June 2024 include: a consolidated statement of comprehensive income, a consolidated statement of financial position, a statement of changes in consolidated equity, a consolidated cash flow statement and notes containing 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. (the Company, the Issuer) 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 abbreviated half-yearly report of the Management Board on the operations 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 consolidated 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 the regulations issued on the basis thereof. The consolidated 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 the 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, 27 September 2024

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 with its registered office 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, 27 September 2024

III. Abbreviated consolidated half-yearly financial statements prepared in accordance with the International Financial Reporting Standards for the period from 1 January 2024 to 30 June 2024

SELECTED CONSOLIDATED FINANCIAL DATA	in PLN k		in EUR k	
	Period from 01.01.2024 to 30.06.2024	Period from 01.01.2023 to 30.06.2023	Period from 01.01.2024 to 30.06.2024	Period from 01.01.2023 to 30.06.2023
I. Net revenue from sales of products, goods and materials	1,145,900	1,146,273	265,815	248,488
II. Gross profit/loss on sales	101,099	101,584	23,452	22,021
III. Profit/loss on operating activities	24,124	17,447	5,596	3,782
IV. Net profit/loss attributable to the Company's shareholders	20,793	14,431	4,823	3,128
V. Weighted average number of shares	18,700,736	20,037,000	18,700,736	20,037,000
VI. Profit/loss per ordinary share *) (in PLN/EUR)	1.11	0.72	0.26	0.16
VII. Net cash flow from operating activities	73,146	42,795	16,968	9,277
VIII. Net cash flow from investment activities	7,476	-13,768	1,734	-2,985
IX. Net cash flow from financial activities	-38,489	-21,301	-8,928	-4,618
X. Net increases (decreases) in cash	42,133	7,726	9,774	1,675
	As at 30.06.2024	As at 31.12.2023	As at 30.06.2024	As at 31.12.2023
XI. Total assets	667,299	687,929	154,718	158,217
XII. Liabilities	235,193	239,722	54,531	55,134
XIII. Long-term liabilities	56,167	64,653	13,023	14,870
XIV. Short-term liabilities	179,026	175,069	41,508	40,264
XV. Equity attributable to the Company's shareholders	430,988	447,876	99,928	103,007
XVI. Share capital	1,654	1,874	383	431
XVII. Weighted average number of shares **) (quantity)	18,700,736	19,549,055	18,700,736	19,549,055
XVIII. Book value per share ***) (in PLN/EUR)	23.05	22.91	5.34	5.27

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

**) The number of shares includes shares with a standardised A to D series designation after registration of the redemption of the Company's own shares. The change was made under resolutions 12 and 13 of the Ordinary General Meeting of Shareholders of 19 June 2024. The change was registered by the District Court for the capital city of Warsaw in Warsaw, 14th Commercial Division of the National Court Register, on 27 June 2024.

***) The book value per share was calculated as the quotient of the Equity attributable to the Company's shareholders and the Number of shares.

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
01.01.2024–30.06.2024	4.3109	4.2678	4.3434	4.3130
01.01.2023–31.12.2023	4.5284	4.5756	4.7170	4.3480
01.01.2023–30.06.2023	4.6130	4.4503	4.7170	4.4503

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 H1 2024 was EUR 1 = PLN 4.3109, for H1 2023– EUR 1 = PLN 4.6130;
- 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 2024, this exchange rate was EUR 1 = PLN 4.3130; as at 31 December 2023: EUR 1 = PLN 4.3480, and as at 30 June 2023: EUR 1 = PLN 4.4503.

Abbreviated consolidated statement of comprehensive income

All revenue and costs relate to continuing operations.

	Note	period from 01.01.2024 to 30.06.2024	period from 01.01.2023 to 30.06.2023
Sales revenue	(5.2)	1,145,900	1,146,273
Costs of products, goods and materials sold	(5.3)	-1,044,801	-1,044,689
Gross profit/loss on sales		101,099	101,584
Sales and marketing costs	(5.3, 5.4)	-68,654	-63,914
General administration costs	(5.3, 5.4)	-24,250	-21,323
Other operating revenue	(5.5)	16,631	1,723
Other expenses and losses	(5.6)	-702	-623
Profit/loss on operating activities		24,124	17,447
Financial revenue	(5.7)	3,145	2,060
Financial costs	(5.8)	-1,457	-1,450
Share in profits (losses) of associates and joint ventures settled with the equity method		-486	-327
Profit/loss before tax		25,326	17,730
Income tax	(6)	-4,446	-3,316
Profit/loss on continuing operations		20,880	14,414
Net profit/loss on discontinued operations		0	0
Net profit / loss for the financial period		20,880	14,414
Other components of comprehensive income			
Other comprehensive income that will be reclassified to profit or loss, before tax		2,082	2,280
Other components		0	0
Other comprehensive income that will not be reclassified to profit or loss, before tax		0	0
Total other comprehensive income before tax		2,082	2,280
Income tax connected with components of other comprehensive income which will be reclassified to profit or loss		-396	-433
Other components of net comprehensive income that may be reclassified to profit or loss		1,686	1,847
Comprehensive income for the period		22,566	16,261
Net profit/loss attributable to:			
Company's shareholders		20,793	14,431
non-controlling interests		87	-17
Comprehensive income attributable to:			
Company's shareholders		22,479	16,278
non-controlling interests		87	-17

PROFIT PER SHARE

	Period from 01.01.2024 to 30.06.2024	Period from 01.01.2023 to 30.06.2023
Basic profit/loss on continuing operations	1.11	0.72
Basic profit/loss on discontinued operations	0.00	0.00
Profit / loss per share (in PLN)		
Diluted profit / loss on continuing operations	1.11	0.72
Diluted profit / loss on discontinued operations	0.00	0.00
Diluted profit / loss per share (in PLN)		
Weighted average number of shares	18,700,736	20,037,000
Diluted number of shares	18,700,736	20,037,000

Piotr Bieliński

President of the Management Board

Sławomir Harazin

Vice-President of the Management Board

Zamienie, 27 September 2024

Consolidated statement of financial position

	Note	30.06.2024	31.12.2023	30.06.2023
ASSETS				
Fixed assets				
Property, plant and equipment		130,102	132,819	135,720
Goodwill	(7.1)	4,198	2,415	3,113
Other intangible assets		7,615	6,553	6,396
Investment real property		0	0	3,740
Shares in associates measured with the equity method		0	178	407
Deferred income tax assets	(6.1)	0	0	0
Trade and other receivables		3	3	3
Total fixed assets		141,918	141,968	149,379
Current assets				
Inventories	(8)	257,568	301,611	249,458
Trade and other receivables	(9)	133,040	156,737	163,478
Current income tax receivables		0	0	470
Derivative financial instruments		27	0	0
Other financial assets	(10)	17,152	8,341	9,260
Cash and cash equivalents		117,594	75,461	63,628
Total current assets other than held for sale		525,381	542,150	486,294
Fixed assets classified as held for sale	(12)	0	3,811	0
Total current assets		525,381	545,961	486,294
TOTAL ASSETS		667,299	687,929	635,673
EQUITY				
Share capital		1,654	1,874	2,004
Share premium		77,207	77,207	77,207
Own shares		-11	-20,373	-28,800
Retained profit		350,451	387,209	386,303
Other reserves		1,687	1,959	1,847
Equity attributable to the Company's shareholders		430,988	447,876	438,561
Non-controlling interests		1,118	331	427
Total equity		432,106	448,207	438,988
LIABILITIES				
Loans, borrowings and other liabilities on account of financing	(13)	276	293	0
Long-term lease liabilities		760	1,066	1,451
Trade and other liabilities		51,178	57,630	66,148
Deferred income tax provisions	(6.1)	3,953	5,664	4,476
Long-term liabilities		56,167	64,653	72,075
Trade and other liabilities		170,909	167,572	117,843
Loans, borrowings and other liabilities on account of financing	(13)	1,401	1,822	1,000
Short-term lease liabilities		737	850	823
Current income tax liabilities		4,551	3,462	3,619
Provisions for employee benefits		1,428	1,363	1,325
Provisions for other liabilities and charges		0	0	0
Derivative financial instruments		0	0	0
Short-term liabilities		179,026	175,069	124,610
Total liabilities		235,193	239,722	196,685
TOTAL EQUITY AND LIABILITIES		667,299	687,929	635,673

Piotr Bieliński

Śławomir Harazin

President of the Management Board

Vice-President of the Management Board

Zamienie, 27 September 2024

Statement of changes in consolidated equity

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY 1.01.2024–30.06.2024

	Share capital	Share premium	Own shares	Retained profit	Other reserves	Equity attributable to the Parent Company's shareholders	Equity attributable to non-controlling interests	Total equity
As at 1.01.2024	1,874	77,207	-20,373	387,209	1,959	447,876	331	448,207
Changes in equity:	-220	0	20,362	-36,758	-272	-16,888	787	-16,101
Acquisition of own shares	0	0	-37,407	0	0	-37,407	0	-37,407
Redemption of own shares	-220	0	57,769	-57,551	0	-2	0	-2
Profit (loss)	0	0		20,793	0	20,793	87	20,880
Other comprehensive income	0	0	0	0	-272	-272	0	-272
Total comprehensive income	0	0	0	20,793	-272	20,521	87	20,608
Other	0	0	0	0	0	0	700	700
As at 30.06.2024	1,654	77,207	-11	350,451	1,687	430,988	1,118	432,106

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY 01.01.2023–31.12.2023

	Share capital	Share premium	Own shares	Retained profit	Other reserves	Equity attributable to the Parent Company's shareholders	Equity attributable to non-controlling interests	Total equity
As at 1.01.2023	2,004	77,207	-7,982	371,872	0	443,101	-422	442,679
Changes in equity:	-130	0	-12,391	15,337	1,959	4,775	753	5,528
Acquisition of own shares	0	0	-32,857	0	0	-32,857	0	-32,857
Redemption of own 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
As at 31.12.2023	1,874	77,207	-20,373	387,209	1,959	447,876	331	448,207

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY 01.01.2023–30.06.2023

	Share capital	Share premium	Own shares	Retained profit	Other reserves	Equity attributable to the Parent Company's shareholders	Equity attributable to non-controlling interests	Total equity
As at 1.01.2023	2,004	77,207	-7,982	371,872	0	443,101	-422	442,679
Changes in equity:	0	0	-20,818	14,431	1,847	-4,540	849	-3,691
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
As at 30.06.2023	2,004	77,207	-28,800	386,303	1,847	438,561	427	438,988

Piotr Bieliński

President of the Management Board

Sławomir Harazin

Vice-President of the Management Board

Zamienie, 27 September 2024

Consolidated cash flow statement

	Note	period from 01.01.2024 to 30.06.2024	period from 01.01.2023 to 30.06.2023
Cash flow from operating activities		78,100	44,891
Gross profit/loss		25,326	17,730
Adjustments:	(14)	52,774	27,161
Income tax		0	0
Amortisation and depreciation of tangible fixed assets and intangible assets		3,972	4,552
Profit (loss) on investment activities		-15,778	84
Interest revenue		-2,541	-2,060
Interest expenses		81	126
Share in the net result of the associate		-486	-327
Other		1,221	1,312
Inventories		45,269	18,104
Trade and other receivables		24,061	15,650
Trade and other liabilities		-3,025	-10,280
Income tax paid		-4,954	-2,096
Net cash flow from operating activities		73,146	42,795
Cash flow from investment activities			
Purchase of property, plant and equipment, intangible assets, investment real properties and other fixed assets		-3,255	-4,444
Inflows from sales of property, plant and equipment, intangible assets, investment real properties and other fixed assets		19,813	0
Other investment inflows/outflows		-9,082	-9,324
Net cash flow from investment activities		7,476	-13,768
Cash flow from financing activities			
Acquisition of own shares		-37,407	-20,818
Loans and borrowings received		0	0
Repayment of loans and borrowings		-437	0
Interest paid		-72	-34
Payments of liabilities under financial lease agreements		-573	-449
Other financial inflows/outflows		0	0
Net cash flow from financial activities		-38,489	-21,301
Net decrease/increase in cash before effects of foreign exchange differences		42,133	7,726
Effects of changes in foreign exchange rates concerning cash and cash equivalents		0	0
Net increase/decrease in cash		42,133	7,726
Opening balance of cash		75,461	55,902
Closing balance of cash		117,594	63,628

Piotr Bieliński

President of the Management Board

Sławomir Harazin

Vice-President of the Management Board

Zamienie, 27 September 2024

Notes to the consolidated 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:	action@action.pl
Website:	www.action.pl
REGON (Business ID):	011909816
NIP (Tax ID):	527-11-07-221

1.1. Company's business

The core business of ACTION S.A. (the Issuer / the 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 Group sells its products in Poland and abroad. Primary field of the Group's business: wholesale trade in computer accessories (PKD 2007 4690Z).

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

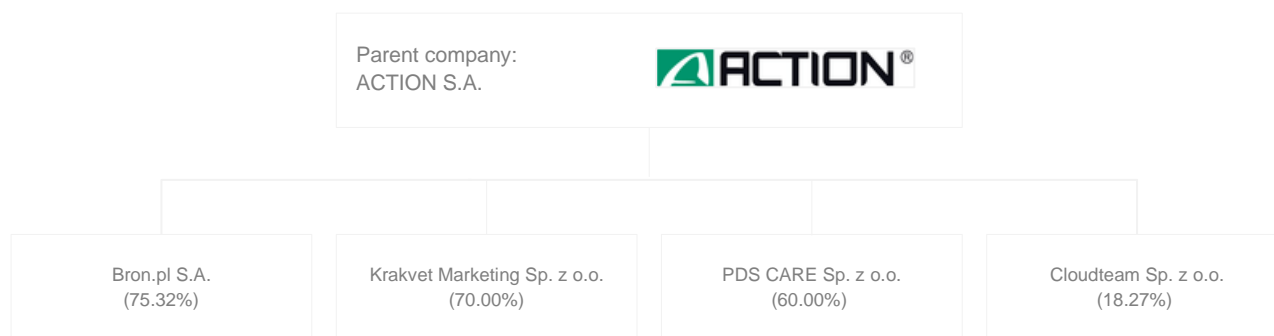
On 2 August 2004, ACTION Spółka Akcyjna was entered in the Register of Entrepreneurs of the National Court Register under KRS number 0000214038 under the decision of the District Court in Warsaw, 19th Commercial Division of the National Court Register. The Company is currently registered in the 14th Commercial Division of the Register Court for the Capital City of Warsaw. Previously, the legal predecessor of the Issuer, i.e. ACTION spółka z ograniczoną odpowiedzialnością, was entered in the Register of Enterprises under KRS number 0000066230 under 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 remedial proceedings of ACTION Spółka Akcyjna under the Restructuring Law Act of 15 May 2015 (Journal of Laws of 2015, item 978, as amended).

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. Composition of the Group

STRUCTURE OF 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 licence, survival and personal protection accessories.

- **KRAKVET MARKETING Sp. z o.o.**, with its registered office in Zamienie – 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 – associate (18.27%)

primary activity: training and IT services as well as rental of computer hardware

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 under 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 partnership with respect to the warehouse, logistics

and delivery services. The entities previously 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% 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 2024

Business name and legal form of the entity	Registered office	Business activities	Type of relationship	National Court Register (KRS) No	Consolidation method / valuation method applied	Date of taking control / joint control / acquiring significant influence	% of ownership of share capital	% of ownership of GM votes
BRON.PL S.A.	Zamienie	retail and sale of military, outdoor and survival products	subsidiary	0000986333	full	20.06.2023	75.32%	75.32%
KRAKVET MARKETING Sp. z o. o	Zamienie	wholesale trade in computer hardware, advertising services	subsidiary	0000866166	full	14.12.2011	70%	70%
PDS CARE Sp. z o. o	Zamienie	marketing of medical and rehabilitation products with a particular focus on the requirements of the elderly via the online shops PomoceDlaSeniors.pl and medsenio.pl as well as a brick-and-mortar shop	subsidiary	0000865229	full	15.02.2024	60%	60%
CLOUDTEAM Sp. z o. o.	Warsaw	training and IT services, rental of computer hardware	associate	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 abbreviated consolidated half-yearly financial statements of the ACTION S.A. Capital Group for H1 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The abbreviated consolidated half-yearly financial statements prepared for the period from 1 January 2024 to 30 June 2024 contain comparative data for the period from 1 January 2023 to 30 June 2023.

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

2.1. General principles of preparation

The abbreviated consolidated half-yearly financial statements have been prepared on the assumption that the Group would continue as a going concern in the foreseeable future.

As at the date of approving these abbreviated consolidated half-yearly financial statements, there are no circumstances indicating any threats to the business continuity of the companies in the Group.

The abbreviated consolidated half-yearly 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 ended 31 December 2023, published on 25 April 2024.

2.2. Going concern

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

2.3. Statement of compliance

These abbreviated consolidated half-yearly financial statements for the period from 1 January 2024 to 30 June 2024 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as endorsed by the European Union, in particular the International Accounting Standard 34 *Interim Financial Reporting*, which is applicable to half-yearly reporting. As at the date of approving 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").

2.4. Basic accounting principles

The accounting principles (policy) applied in the preparation of these abbreviated consolidated half-yearly financial statements for H1 2024 are consistent with those applied in the preparation of 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 abbreviated consolidated half-yearly 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

The preparation of the consolidated financial statements requires the Management Board of the Parent Company to make estimates because specific data included in the consolidated 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 as at 30 June 2024 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 2024, the Group companies assessed the estimated useful lives of property, plant and equipment and 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 2024, the 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 indications 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 on 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 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 in the Parent Company. However, the following tax proceedings are pending before the courts:

- on 22 June 2016, the Parent 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 Parent Company announced in current report No 56/2016 of 7 November 2016). On 7 December 2016, the Parent Company filed an appeal against the above decision with the Provincial Administrative Court, which dismissed the Parent 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 a judgement of 20 April 2022, the Supreme Administrative Court in Warsaw dismissed the cassation appeal filed by the Parent 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 Parent Company did not agree with the judgement and filed an appeal with the European Court of Human Rights. The amount in dispute in this case was PLN 29,115k. This receivable is covered by a composition agreement by virtue of law and is subject to repayment under the terms of the legally approved composition agreement 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 Parent 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 Parent Company filed an appeal against that decision with the Provincial Administrative Court in Warsaw. In a judgement of 12 March 2019, the Provincial Administrative Court in Warsaw dismissed the Parent Company's appeal against the decision of the Head of the Tax Administration Chamber in Warsaw of 20 April 2018. The Parent Company, which disagreed with this decision, appealed against the ruling to the Supreme Administrative Court. In 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 Head 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 Parent Company filed a complaint against that decision with the administrative court. In a judgement of 8 November 2023, the Provincial Administrative Court in Warsaw, while upholding the Parent Company's complaint, repealed both of the above decisions of the tax authorities and discontinued the proceedings conducted by them. The Head of the Tax Administration Chamber in Warsaw filed a cassation appeal against the above judgement to the Supreme Administrative Court. In a judgement of 1 August 2024, the Supreme Administrative Court overturned the judgement of the Provincial Administrative Court in Warsaw of 8 November 2023. The decision of the Supreme Administrative Court results in the need for re-examination of the case by the Provincial Administrative Court in Warsaw. The proceedings are pending.

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

In the Parent Company's opinion, the aforementioned decisions in fact introduce a legally non-existent liability on the part of the Company for the tax liabilities 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 Parent Company is obliged to implement it.

The total value of liabilities arising from the aforementioned decisions which are the subject matter of the described court proceedings and the previously conducted VAT and CIT proceedings recognised in the books as at 30 June 2024 amounts to PLN 6,761k. 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 Parent Company's remedial proceedings, and the composition-related instalments repaid to date.

The Parent 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 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.

3.7. Write-downs on receivables

The Group 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 non-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 exceed a total of 64.44% 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 based on 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 of the sales revenue is related to the sales of computer hardware, consumer electronics, household appliances and IT accessories.

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Revenue from sales of products (services) – Wholesale	14,994	14,037
Revenue from sales of products (services) – Retail	1,183	858
Revenue from sales of goods and materials – Wholesale	958,059	982,047
Revenue from sales of goods and materials – Retail	171,664	149,331
Total	1,145,900	1,146,273

5.3. Expenses by type

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Amortisation and depreciation of tangible fixed assets and intangible assets	3,972	4,552
Costs of employee benefits	38,183	36,111
Consumption of materials and energy	6,460	6,753
Outsourcing	36,963	28,332
Taxes and charges	1,016	953
Advertising and entertainment expenses	5,422	5,313

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Property and personal insurance	658	747
Other expenses by type	230	298
Value of goods and materials sold, of which:	1,044,801	1,044,689
- write-downs on inventories	-930	-1,978
Total	1,137,705	1,127,748

5.4. Costs of employee benefits

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Payroll	31,498	29,940
Social security and other benefits	6,685	6,171
Total	38,183	36,111

5.5. Other operating revenue

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Revenue from compensations received	551	685
Revenue from provisions released	3,436	433
Revenue from overdue liabilities	405	492
Other revenue	182	113
Profit on disposal of financial fixed assets	12,057	0
Total	16,631	1,723

In the reporting period, the Company released a write-down of PLN 3,128k due to the sale of real property in Krakow. This amount is included in *Revenue from provisions released* (note 5.5).

5.6. Other expenses and losses

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Costs of damages paid	524	594
Costs of receivables written off	7	16
Costs of provisions created	124	0
Costs of litigation	27	2
Other costs	20	11
Total	702	623

5.7. Financial revenue

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Interest on cash and cash equivalents (deposits)	2,138	1,456
Interest on cash and cash equivalents (bonds)	386	581
Interest on borrowings and receivables	17	23
Capital revenue	574	0
Revenue from measurement of financial instruments	30	0
Total	3,145	2,060

5.8. Financial costs

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Interest on leases	24	34
Interest on bank loans and borrowings	81	126
Costs of measurement of financial instruments	0	83
Discount on liabilities covered by the composition agreement	1,324	1,207
Other costs	28	0
Total	1,457	1,450

6. Income tax

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Current tax	6,106	3,360
Deferred tax	-1,660	-44
Total	4,446	3,316

6.1. 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:

	30.06.2024	31.12.2023
Deferred income tax assets:		
– deferred income tax assets falling due within 12 months	3,011	3,873
	3,011	3,873
Deferred income tax provisions:		
– deferred income tax provisions falling due within 12 months	6,964	9,537
	6,964	9,537
Deferred income tax assets	3,011	3,873
Deferred income tax provisions	6,964	9,537
Deferred income tax assets / provisions (account balance)	-3,953	-5,664

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

	30.06.2024	31.12.2023
Opening balance	-5,664	-4,087
Credit of/charge on the financial result	1,660	-1,120
Increase/decrease in equity	50	-460
Other changes	1	3
Closing balance	-3,953	-5,664

DEFERRED INCOME TAX ASSETS

	Foreign exchange losses	Impairment write-down on inventories	Provision for costs of the period	Provision for unused holiday	Impairment write-down on receivables	Losses from previous years	Total
As at 1 January 2024 at 19% rate	0	282	3,332	259	0	0	3,873
(Credit to) / Charge on the financial result on account of change in temporary differences and tax loss	0	-52	-822	11	0	0	-863
Increase/decrease in equity	0	0	1	0	0	0	1
As at 30 June 2024 at 19% rate	0	230	2,511	270	0	0	3,011
As at 1 January 2023 at 19% rate	263	494	6,001	212	0	0	6,970
(Credit to) / Charge on the financial result on account of change in temporary differences and tax loss	-263	-212	-2,672	47	0	0	-3,100
Increase/decrease in equity	0	0	3	0	0	0	3
As at 31 December 2023 at 19% rate	0	282	3,332	259	0	0	3,873

DEFERRED INCOME TAX PROVISION

	Foreign exchange gains	Interest accrued	Bonuses from suppliers	Lease	Other	Total
As at 1 January 2024 at 19% rate	229	0	5,677	1,767	1,864	9,537
(Credit to) / Charge on the financial result on account of change in temporary differences and tax loss	-166	0	-2,116	-71	-170	-2,523
Increase/decrease in equity	0	0	14	0	-64	-50
As at 30 June 2024 at 19% rate	63	0	3,575	1,696	1,630	6,964
As at 1 January 2023 at 19% rate	16	0	7,283	2,096	1,662	11,057
(Credit to) / Charge on the financial result on account of change in temporary differences and tax loss	213	0	-1,606	-329	-258	-1,980
Increase/decrease in equity	0	0	0	0	460	460
As at 31 December 2023 at 19% rate	229	0	5,677	1,767	1,864	9,537

7. Property, plant and equipment

During the reporting period, the Group incurred capital expenditure of PLN 3,255k. Capital expenditure incurred in the reporting period was related to the conversion and adaptation of the building which is the registered office of ACTION S.A. and expenditure on the purchase of computer software. The Parent Company plans further investments in IT tools.

7.1. Goodwill

	30.06.2024	31.12.2023	30.06.2023
Carrying amount of goodwill			
KRAKVET MARKETING Sp. z o.o.	0	0	698
BRON.PL Spółka Akcyjna	2,415	2,415	2,415
PDS CARE Sp. z o.o.	1,783	0	0
Total carrying amount	4,198	2,415	3,113

	30.06.2024	31.12.2023	30.06.2023
Opening balance of goodwill	2,415	698	698
Increase in goodwill resulting from acquisition	1,783	2,415	2,415
Decrease in goodwill resulting from impairment	0	-698	0
Total carrying value at the end of the period	4,198	2,415	3,113

In the reporting period, the Parent Company 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 2,843k 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 shops PomoceDlaSeniora.pl and medsenio.pl and a brick-and-mortar shop.

In the Group'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 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 Group and its well-established commercial policy.

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

Fair value as at the date of acquisition	
Property, plant and equipment	6
Inventories	656
Receivables and borrowings	747
Other assets	34
Cash	770
Total assets	2,213
Trade liabilities	445
Total liabilities	445
Fair value of net assets	1,768

	Fair value as at the date of acquisition
Goodwill (+)	1,783
Payment for the acquired entity:	2,843
Non-controlling entities	707

Revenue from sales of goods and services of PDS CARE Sp. z o.o. from the date of acquisition recognised in the consolidated statement of comprehensive income for the current period was PLN 8,049k, while the amount of the profit generated in that period was PLN 199k.

8. Inventories

	30.06.2024	31.12.2023	30.06.2023
Materials	0	0	0
Goods	231,108	276,661	208,149
Goods in transit	29,837	29,257	45,234
Advances on deliveries	0	0	0
	260,945	305,918	253,383
Impairment write-downs on inventories	-3,377	-4,307	-3,925
Inventories	257,568	301,611	249,458

8.1. Impairment write-downs on inventories

	30.06.2024	31.12.2023	30.06.2023
Opening balance of write-down on inventories	-4,307	-6,233	-6,233
Created (Costs of products, goods and materials sold)	-1,272	-1,981	-1,334
Utilised (Costs of products, goods and materials sold)	0	0	0
Released (Costs of products, goods and materials sold)	2,202	3,907	3,642
Closing balance of write-down on inventories	-3,377	-4,307	-3,925

9. Impairment write-downs on trade and other receivables

	30.06.2024	31.12.2023	30.06.2023
Opening balance of impairment write-down on receivables	-6,098	-6,736	-6,736
Created	-1,046	-1,390	-881
Utilised	2,867	177	53
Released	922	1,851	1,250
Closing balance of impairment write-down on receivables	-3,355	-6,098	-6,314

10. Other financial assets

	30.06.2024	31.12.2023	30.06.2023
Corporate bonds	7,031	8,341	9,260
Investment fund units	10,121	0	0
Other financial assets, of which:	17,152	8,341	9,260
short-term	17,152	8,341	9,260

During the reporting period, the Parent Company acquired units in investment funds in the amount of PLN 10,121k. The above amount is disclosed in the consolidated cash flow statement under investment activities as other outflows. Both investment fund units and corporate bonds are measured based on the values that originate directly from active market. The measurement of the aforementioned instruments falls within the 1st level of the fair value hierarchy.

10.1. Impairment write-down on short-term financial assets

	30.06.2024	31.12.2023	30.06.2023
Opening balance of impairment write-down on short-term financial assets	0	-2,158	-2,158
Created	0	0	0
Utilised	0	2,158	0
Released	0	0	0
Closing balance of impairment write-down on short-term financial assets	0	0	-2,158

11. 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.

12. Fixed assets classified as held for sale

	30.06.2024	31.12.2023	30.06.2023
Investment real property reclassified for sale	0	3,811	0
	0	3,811	0

On 27 February 2024, the Parent Company concluded sales agreements of the real property located in Krakow, at ul. Zakopiańska, the object of the right of perpetual usufruct and ownership of the building located thereon, consisting of cadastral plots Nos: 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 19.8 million in the reporting period.

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 3.4k (plus VAT) for each additional square metre above the aforementioned figure of 6,000 square metres.

The Company recognised contingent assets of PLN 3,400k on account of the conditional additional payment.

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

	30.06.2024	31.12.2023	30.06.2023
Long-term			
Bank loan	276	293	0
Lease liabilities	760	1,066	1,451
	1,036	1,359	1,451
Short-term			
Overdraft facility	631	1,050	0
Borrowings	770	772	1,000
Lease liabilities	737	850	823
	2,138	2,672	1,823
Total	3,174	4,031	3,274

13.1. Lease liabilities

	30.06.2024	31.12.2023	30.06.2023
Nominal value of minimum lease payments			
Up to 1 year	885	1,020	1,054
1 to 5 years	912	1,280	1,859
Total financial lease liabilities – total minimum lease payments	1,797	2,300	2,913
Financial costs due to financial lease	300	384	639
Present value of minimum lease payments			
Up to 1 year	737	850	823
1 to 5 years	760	1,066	1,451
Total current value of minimum lease payments	1,497	1,916	2,274

14. Net cash inflows from operating activities

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Gross profit/loss for the financial year	25,326	17,730
Adjustments:		
– Income tax paid	-4,954	-2,096
– Amortisation and depreciation of tangible fixed assets and intangible assets (Note 5.3)	3,972	4,552
– (Profits) losses on investment activities, of which:	-15,778	84
(Profits) losses on foreign exchange differences	0	0
(Profits) losses on write-downs	-3,128	0
(Profits) losses on measurement of financial instruments	-30	84
(Profits) losses on redemption of commercial bonds	-574	0
(Profits) losses on sale of non-financial assets	-12,046	0
Other	0	0
– Interest revenue	-2,541	-2,060

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
– Interest expenses	81	126
Shares in profits (losses) of entities measured using the equity method	-486	-327
– Other, including:	1,221	1,312
Profits (losses) attributable to non-controlling shareholders	-87	17
Change in provisions	0	0
Change in prepayments/accruals	0	0
Change in liabilities due to employee benefits	65	212
Other adjustments	1,243	1,083
Changes in working capital:		
– Inventories	45,269	18,104
– Trade and other receivables	24,061	15,650
– Trade and other liabilities	-3,025	-10,280
Net cash inflows from operating activities	73,146	42,795

15. Other investment inflows/outflows

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Other investment inflows/outflows, of which:		
– Acquisition of shares	-2,843	-4,240
– Acquisition/redemption of corporate bonds	1,774	-6,980
– Acquisition of units in funds	-10,121	0
– Inflows on account of interest	2,108	1,896
Total investment outflows	-9,082	-9,324

16. Contingent assets and liabilities

As at 30 June 2024, the Group had contingent receivables due to the repayment of receivables of PLN 6,002k. Hedging liabilities under agreements signed as at the reporting date which are not reflected in the Group's interim abbreviated consolidated financial statements amounted to PLN 15,232 as at 30 June 2024.

	30.06.2024	31.12.2023	30.06.2023
1. Contingent receivables	6,002	3,619	3,625
1.1. From related entities (due to)	0	0	0
– guarantees and sureties received	0	0	0
1.2. From other entities (due to)	6,002	3,619	3,625
– guarantees and sureties received	2,602	3,619	3,625
– conditional additional payment due to a change in the selling price of the real property	3,400	0	0
2. Contingent liabilities	15,232	14,806	8,391
1.1. To related entities (due to)	0	0	0
– guarantees and sureties granted	0	0	0
1.2. To other entities (due to)	15,232	14,806	8,391
– guarantees and sureties granted	15,232	14,806	8,391
3. Other (due to)	0	0	0
Total off-balance sheet items	21,234	18,425	12,016

17. Implementation of the composition agreement

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 (hereinafter: the "Composition Agreement") in the Company's remedial proceedings was approved. The decision took 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 composition 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 Composition Agreement.

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

In the period from the date when the Composition Agreement became effective, i.e. from 15 December 2020, until the balance sheet date, i.e. 30 June 2024, the Issuer made repayments in the total amount of PLN 93,065k, EUR 2,290k and USD 5,332k in the form of cash payments. These amounts include one-off payments (Groups II and III of the Composition Agreement) and fourteen instalments paid to Group I creditors and the first part of the payment to Group IV creditors. A total of PLN 51,015k, EUR 1,179k and USD 3,807k remain to be paid as at the balance sheet date, i.e. 30 June 2024, under the Composition Agreement.

During the reporting period, the Company repaid the 14th and 15th instalments as part of the implementation of the Composition Agreement.

18. Events after the balance sheet date

By the publication date of the interim abbreviated consolidated financial statements attached, there were no events after the balance sheet date that require additional disclosures.

19. Transactions with related parties

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

ACTION S.A. has personal ties with the following 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 companies and related parties not subject to consolidation

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

Data as at 30 June 2024 and for the period 1.01.2024–30.06.2024

	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. ***)	185	0	0	0
TYTANID Sp. z o.o. ****)	0	0	0	0
Fundacja Rodzinna Bielińskich in organisation ****)	0	0	0	0
Total	185	0	0	0

Data as at 30 June 2023 and for the period 1.01.2023–30.06.2023

	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
Total	185	0	0	0

*) 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.

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

20. Transactions with consolidated associates**Data as at 30 June 2024 and for the period 1.01.2024–30.06.2024**

	Receivables	Liabilities	Sales revenue	Purchases and costs
CLOUDTEAM Sp. z o. o.	0	0	0	0
Total	0	0	0	0

Data as at 30 June 2023 and for the period 1.01.2023–30.06.2023

	Receivables	Liabilities	Sales revenue	Purchases and costs
CLOUDTEAM Sp. z o. o.	0	0	0	0
Total	0	0	0	0

21. Remuneration of managing and supervising persons

Expenses relating to the remuneration (paid and payable) of the managers of the ACTION S.A. Capital Group during the period from 1 January 2024 to 30 June 2024 amounted to PLN 1,147k, while during the period from 1 January 2023 to 30 June 2023 to PLN 1,350k. In the reporting period, the Members of the

Supervisory Board of ACTION S.A. received total remuneration of PLN 107k. In the period between 1 January 2023 and 30 June 2023, the remuneration of the Members of the Supervisory Board of ACTION S.A. amounted to PLN 92k. Remuneration for managers and supervisors are short-term benefits. The Members of the Management Board of ACTION S.A. have benefits guaranteed in case they are removed from the composition of the Management Board in the amount of 12 times their monthly remuneration.

As a result of the decision on the approval of the composition agreement in the Company's remedial proceedings becoming final on 15 December 2020, the hitherto Remedial Manager of ACTION S.A. has been performing the function of the ACTION S.A. Composition Agreement Implementation Supervisor since that date. Pursuant to item 1.17 of the Composition Agreement, the Composition Agreement Implementation Supervisor is entitled to monthly remuneration of PLN 5,000 (five thousand) net. The amount of the Composition Agreement Implementation Supervisor's remuneration will be increased by VAT at the applicable rate.

In H1 2024, the remuneration paid for the function of the Supervisor amounted to PLN 30k.

The above amounts are subject to increase by taxes due.

REMUNERATION PAID AND DUE

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
1. Management Board, including:	1,147	1,350
Piotr Bieliński – President of the Management Board	540	665
Sławomir Harazin – Vice-President of the Management Board	485	658
Kazimierz Lasecki	0	27
Paulina Sukiennik	36	0
Andrzej Biały	45	0
Paweł Wojtczak	24	0
Michał Rycerz	17	0
2. Supervisory Board, including:	107	92
Iwona Bożena Bocianowska	23	20
Marek Jakubowski	21	18
Krzysztof Kaczmarczyk	21	18
Piotr Chajderowski	21	18
Adam Świtalski	21	18
Total remuneration	1,361	1,442

22. Remuneration of senior management

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Remuneration of the Members of the Management Boards and Supervisory Boards of Group companies	1,147	1,350
Remuneration of other managers	4,127	3,357
	5,274	4,707

23. Other information on the consolidated half-yearly report

23.1. 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 were 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, the claims

on account of series ACT01040717 bonds are to be repaid on the terms of Article 2.4 of the composition agreement.

The Issuer repaid 40.35% of the amount of the principal 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 composition agreement 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 (which the Issuer announced 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 7,500k, accounting for 7.5% of the principal, 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-related 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 2024.

23.2. Information on the dividend paid

In 2023, the Parent Company recorded a profit. According to the resolution adopted on 19 June 2024, the entire profit of 2023 was allocated to the supplementary capital.

23.3.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 2024:

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
Fundacja Rodzinna Bielińskich	3,699,502	22.37%	3,699,502	22.37%
Aleksandra Matyka	2,886,264	17.45%	2,886,264	17.45%
Wojciech Wietrzykowski	1,119,057	6.77%	1,119,057	6.77%
Lemuria Partners Sicav P.L.C.	1,320,000	7.98%	1,320,000	7.98%
Mariusz Jaworski	1,506,248	9.11%	1,506,248	9.11%
Other	6,005,929	36.32%	6,005,929	36.32%

23.4. Court proceedings

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 8 November 2023. The Head of the Tax Administration Chamber in Warsaw filed a cassation appeal against the judgement to the Supreme Administrative Court. In a judgement of 1 August 2024, the Supreme Administrative Court overturned the judgement of the Provincial Administrative Court in Warsaw of 8 November 2023. The decision of the Supreme Administrative Court results in the need for re-examination of the case by the Provincial Administrative Court in Warsaw. The proceedings are pending.

The amount in 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 in dispute in this case was PLN 29,115k. These cases are described in detail in Note 3.4 Taxes.

The total value of liabilities resulting from decisions subject to court proceedings and administrative proceedings concerning VAT and CIT as described in Note 3.4 Taxes recognised in the books as at 30 June 2024 amounts to PLN 6,761k. 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.

23.5.Error adjustments

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

23.6. Repayments of loans and borrowings

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

23.7. Material risk factors related to the Group's operations

Material risk factors related to the Group's operations are described in Note 2.2 Going concern, Note 3.4 Taxes and in items 13–15 of the Half-Yearly Report of the Management Board on the Operations of the ACTION S.A. Capital Group (the Group) and ACTION SA. (the Company).

IV. Statement of the Management Board concerning the accuracy of the abbreviated half-yearly financial statements

The abbreviated half-yearly financial statements of ACTION S.A. for the half-yearly period ended 30 June 2024 include: a statement of comprehensive income, a statement of financial position, a statement of changes in equity, a cash flow statement, 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 half-yearly financial statements and comparative data have been drawn up 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 maintained its accounting books in accordance with International Financial Reporting Standards ("IFRS") approved by the EU, issued and in force as at the balance sheet date, and in matters not regulated by the above standards, in compliance with the Polish Accounting Act of 29 September 1994.

Piotr Bieliński

President of the Management Board

Sławomir Harazin

Vice-President of the Management Board

Zamienie, 27 September 2024

V. Abbreviated half-yearly financial statements of ACTION S.A. for the period from 1 January 2024 to 30 June 2024

SELECTED STANDALONE FINANCIAL DATA	in PLN k		in EUR k	
	Period from 01.01.2024 to 30.06.2024	Period from 01.01.2023 to 30.06.2023	Period from 01.01.2024 to 30.06.2024	Period from 01.01.2023 to 30.06.2023
I. Net revenue from sales of products, goods and materials	1,132,894	1,140,130	262,798	247,156
II. Gross profit/loss on sales	95,908	99,146	22,248	21,493
III. Profit/loss on operating activities	23,435	17,322	5,436	3,755
IV. Net profit/loss attributable to the Company's shareholders	20,856	14,899	4,838	3,230
V. Weighted average number of shares **) (quantity)	18,700,736	20,037,000	18,700,736	20,037,000
VI. Profit/loss per ordinary share *) (in PLN/EUR)	1.12	0.74	0.26	0.16
VII. Net cash flow from operating activities	71,795	42,228	16,654	9,154
VIII. Net cash flow from investment activities	7,563	-13,158	1,754	-2,852
IX. Net cash flow from financial activities	-38,004	-21,301	-8,816	-4,618
X. Net increases (decreases) in cash	41,354	7,769	9,593	1,684
	As at 30.06.2024	As at 31.12.2023	As at 30.06.2024	As at 31.12.2023
XI. Total assets	664,147	685,311	153,987	157,615
XII. Liabilities	232,152	236,492	53,826	54,391
XIII. Long-term liabilities	55,911	64,366	12,963	14,804
XIV. Short-term liabilities	176,241	172,126	40,863	39,587
XV. Equity attributable to the Company's shareholders	431,995	448,819	100,161	103,224
XVI. Share capital	1,654	1,874	383	431
XVII. Weighted average number of shares **) (quantity)	18,700,736	19,549,055	18,700,736	19,549,055
XVIII. Book value per share (in PLN/EUR)	23.10	22.96	5.36	5.28

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

**) The number of shares includes shares with a standardised A to D series designation after registration of the redemption of the Company's own shares. The change was made under resolutions 12 and 13 of the Ordinary General Meeting of Shareholders of 19 June 2024. The change was registered by the District Court for the capital city of Warsaw in Warsaw, 14th Commercial Division of the National Court Register, on 27 June 2024.

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

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
01.01.2024–30.06.2024	4.3109	4.2678	4.3434	4.3130
01.01.2023–31.12.2023	4.5284	4.5756	4.7170	4.3480
01.01.2023–30.06.2023	4.6130	4.4503	4.7170	4.4503

The selected financial data presented in the standalone 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 H1 2024 was EUR 1 = PLN 4.3109, for H1 2023 – EUR 1 = PLN 4.6130;
- items of the statement of financial position were converted at the average exchange rate published by the National Bank of Poland, in force on the balance sheet date; as at 30 June 2024, this exchange rate was EUR 1 = PLN 4.3130; as at 31 December 2023 – EUR 1 = PLN 4.3480, and as at 30 June 2023 – EUR 1 = PLN 4.4503.

Statement of comprehensive income

All revenue and costs relate to continuing operations.

	Note	period from 01.01.2024 to 30.06.2024	period from 01.01.2023 to 30.06.2023
Sales revenue		1,132,894	1,140,130
Costs of products, goods and materials sold		-1,036,986	-1,040,984
Gross profit/loss on sales		95,908	99,146
Sales and marketing costs		-65,613	-62,335
General administration costs		-22,465	-20,538
Other operating revenue		16,291	1,661
Other expenses and losses		-686	-612
Profit/loss on operating activities		23,435	17,322
Financial revenue		3,169	2,213
Financial costs		-1,352	-1,324
Profit/loss before tax		25,252	18,211
Income tax		-4,396	-3,312
Profit/loss on continuing operations		20,856	14,899
Net profit/loss on discontinued operations		0	0
Net profit / loss for the financial period		20,856	14,899
Other components of comprehensive income			
Measurement of cash flow hedges			
Other comprehensive income that will be reclassified to profit or loss, before tax		2,082	2,280
Income tax		-396	-433
Other components of net comprehensive income that may be reclassified to profit or loss		1,686	1,847
Comprehensive income for the period		22,542	16,746

PROFIT PER SHARE

	period from 01.01.2024 to 30.06.2024	period from 01.01.2023 to 30.06.2023
Basic profit/loss on continuing operations	1.12	0.74
Basic profit/loss on discontinued operations	0.00	0.00
Profit / loss per share (in PLN)		
Diluted profit / loss on continuing operations	1.12	0.74
Diluted profit / loss on discontinued operations	0.00	0.00
Diluted profit / loss per share (in PLN)		
Weighted average number of shares	18,700,736	20,037,000
Diluted number of shares	18,700,736	20,037,000

Piotr Bieliński

Sławomir Harazin

President of the Management Board

Vice-President of the Management Board

Zamienie, 27 September 2024

Statement of financial position

	Note	30.06.2024	31.12.2023	30.06.2023
ASSETS				
Property, plant and equipment		130,096	132,819	135,720
Goodwill		0	0	0
Other intangible assets		7,072	5,908	5,851
Investment real property		0	0	3,740
Financial assets		7,775	4,932	4,740
Other financial assets		0	0	0
Deferred income tax assets		0	0	0
Trade and other receivables		0	0	0
Fixed assets		144,943	143,659	150,051
Inventories		253,771	298,132	245,812
Trade and other receivables		131,702	156,170	162,802
Current income tax receivables		0	0	470
Derivative financial instruments		27	0	0
Other financial assets		17,152	8,341	9,260
Cash and cash equivalents		116,552	75,198	62,980
Current assets other than fixed assets held for trading		519,204	537,841	481,324
Fixed assets classified as held for sale		0	3,811	0
Total current assets		519,204	541,652	481,324
TOTAL ASSETS		664,147	685,311	631,375
LIABILITIES				
Share capital		1,654	1,874	2,004
Share premium		77,207	77,207	77,207
Own shares		-11	-20,373	-28,800
Retained profit		351,458	388,152	385,678
Other reserves		1,687	1,959	1,847
TOTAL EQUITY		431,995	448,819	437,936
LIABILITIES				
Loans, borrowings and other liabilities on account of financing		0	0	0
Lease liabilities		760	1,066	1,451
Trade and other liabilities		51,176	57,615	65,797
Deferred income tax provisions		3,975	5,685	4,476
Long-term liabilities		55,911	64,366	71,724
Trade and other liabilities		169,654	166,574	119,567
Loans, borrowings and other liabilities on account of financing		0	0	0
Lease liabilities		737	850	823
Current income tax liabilities		4,551	3,462	0
Provisions for employee benefits		1,299	1,240	1,325
Provisions for other liabilities and charges		0	0	0
Derivative financial instruments		0	0	0
Short-term liabilities		176,241	172,126	121,715
Total liabilities		232,152	236,492	193,439
TOTAL EQUITY AND LIABILITIES		664,147	685,311	631,375

Piotr Bieliński
President of the Management Board

Sławomir Harazin
Vice-President of the Management Board

Zamienie, 27 September 2024

Statement of changes in equity

Equity attributable to the Company's shareholders						
	Share capital	Share premium	Own shares	Retained profit	Other reserves	Total equity
As at 01.01.2024	1,874	77,207	-20,373	388,152	1,959	448,819
Changes in equity:	-220	0	20,362	-36,694	-272	-16,824
Acquisition of own shares	0	0	-37,407	0	0	-37,407
Total comprehensive income	0	0	0	20,856	-272	20,584
Redemption of own shares	-220	0	57,769	-57,550	0	-1
Other	0	0	0	0	0	0
As at 30.06.2024	1,654	77,207	-11	351,458	1,687	431,995
As at 01.01.2023	2,004	77,207	-7,982	370,779	0	442,008
Changes in equity:	-130	0	-12,391	17,373	1,959	6,811
Acquisition of own shares	0	0	-32,857	0	0	-32,857
Total comprehensive income	0	0	0	37,717	1,959	39,676
Redemption of own shares	-130	0	20,466	-20,344	0	-8
Other	0	0	0	0	0	0
As at 31.12.2023	1,874	77,207	-20,373	388,152	1,959	448,819
As at 01.01.2023	2,004	77,207	-7,982	370,779	0	442,008
Changes in equity:	0	0	-20,818	14,899	1,847	-4,072
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
As at 30.06.2023	2,004	77,207	-28,800	385,678	1,847	437,936

Piotr Bieliński

President of the Management Board

Sławomir Harazin

Vice-President of the Management Board

Zamienie, 27 September 2024

Cash flow statement

	Note	period from 01.01.2024 to 30.06.2024	period from 01.01.2023 to 30.06.2023
Cash flow from operating activities		76,749	44,324
Gross profit/loss for the financial period		25,252	18,211
Adjustments:			
Amortisation and depreciation of tangible fixed assets and intangible assets		3,923	4,501
Profit (loss) on investment activities		-15,778	84
Interest revenue		-2,565	-2,213
Interest expenses		24	34
Other		423	2,059
Changes in working capital:			
Inventories		44,361	17,750
Trade and other receivables		24,468	15,054
Trade and other liabilities		-3,359	-11,156
Income tax paid		-4,954	-2,096
Net cash flow from operating activities		71,795	42,228
Cash flow from investment activities			
Acquisition of property, plant and equipment and intangible assets		-3,185	-4,444
Acquisition of investment real properties		0	0
Inflows from sale of property, plant and equipment and from intangible assets		19,800	0
Other investment inflows/outflows		-9,052	-8,714
Net cash flow from investment activities		7,563	-13,158
Cash flow from financing activities			
Inflows from the issue of shares		0	0
Acquisition of own shares		-37,407	-20,818
Loans and borrowings received		0	0
Repayment of loans and borrowings		0	0
Dividends paid		0	0
Interest paid		-24	-34
Payments of liabilities under financial lease agreements		-573	-449
Other financial inflows/outflows		0	0
Net cash flow from financial activities		-38,004	-21,301
Net increase/decrease in cash		41,354	7,769
Opening balance of cash		75,198	55,211
Foreign exchange gains (losses) on measurement of cash		0	0
Closing balance of cash		116,552	62,980

Piotr Bieliński

President of the Management Board

Sławomir Harazin

Vice-President of the Management Board

Zamienie, 27 September 2024

Notes

1. Going concern

The abbreviated half-yearly financial statements of ACTION S.A. have been drawn up on the assumption that the Company will continue as a going concern 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 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 in 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 an inspection of the accuracy of the declared tax bases and the correctness of VAT calculated and paid 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 of 24 October 2016 (as announced 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 a 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 in dispute in this case was PLN 29,115k. This receivable is covered by a composition agreement by virtue of law and is subject to repayment under the terms of the legally approved composition agreement 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. In 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. In 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 Head 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 that decision with the administrative court. In a judgement of 8 November 2023, the Provincial Administrative Court in Warsaw, while upholding the Company's complaint, repealed both of the above decisions of the tax authorities and discontinued the proceedings conducted by them. The Head of the Tax Administration Chamber in Warsaw filed a cassation appeal against the above judgement to the Supreme Administrative Court. In a judgement of 1 August 2024, the Supreme Administrative Court overturned the judgement of the Provincial Administrative Court in Warsaw of 8 November 2023. The decision of the Supreme Administrative Court results in the need for re-examination of the case by the Provincial Administrative Court in Warsaw. The proceedings are pending.

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

In the Company's opinion, the aforementioned decisions in fact introduce a legally non-existent liability on the part of the Company for the tax liabilities 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 matter of the described court proceedings and the previously conducted VAT and CIT proceedings recognised in the books as at 30 June 2024 amounts to PLN 6,761k. 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. Basic accounting principles

Key accounting principles are described in *Note 2.4* of the abbreviated consolidated half-yearly 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 abbreviated consolidated half-yearly financial statements.

4.2. Sales revenue

Most of the sales revenue is related to the sales of computer hardware, consumer electronics, household appliances and IT accessories.

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Revenue from sales of products (services) – Wholesale	14,994	14,037
Revenue from sales of products (services) – Retail	1,082	744
Revenue from sales of goods and materials – Wholesale	958,059	982,047
Revenue from sales of goods and materials – Retail	158,759	143,302
Total	1,132,894	1,140,130

4.3. Expenses by type

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Amortisation and depreciation of tangible fixed assets and intangible assets	3,923	4,501
Costs of employee benefits	36,917	35,991
Consumption of materials and energy	6,277	6,753
Outsourcing	33,676	28,317
Taxes and charges	1,000	953
Advertising and entertainment expenses	5,418	5,313
Property and personal insurance	652	747
Other expenses by type	215	298
Value of goods and materials sold, of which:	1,036,986	1,040,984
- write-downs on inventories	-930	-2,308
Total	1,125,064	1,123,857

5. Property, plant and equipment

During the reporting period, the Company incurred capital expenditure of PLN 3,185k.

5.1. 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.

6. Significant estimates

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

Value of deferred income tax subject to offsetting:

	30.06.2024	31.12.2023
Deferred income tax assets:		
– deferred income tax assets falling due within 12 months	2,983	3,846
	2,983	3,846
Deferred income tax provisions:		
– deferred income tax provisions falling due within 12 months	6,958	9,531

	6,958	9,531
Deferred income tax assets	2,983	3,846
Deferred income tax provisions	6,958	9,531
Deferred income tax assets / provisions (account balance)	-3,975	-5,685

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

	30.06.2024	31.12.2023
Opening balance	-5,685	-4,087
Credit of/charge on the financial result	1,660	-1,138
Increase/decrease in equity	50	-460
Closing balance	-3,975	-5,685

7. Write-downs on assets

7.1. Impairment write-downs on long-term financial assets

	30.06.2024	31.12.2023	30.06.2023
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	-3,397	-3,397	-2,897

7.2. Impairment write-downs on short-term financial assets

	30.06.2024	31.12.2023	30.06.2023
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 balance of impairment write-down on short-term financial assets	-725	-725	-3,102

7.3. Impairment write-downs on inventories

	30.06.2024	31.12.2023	30.06.2023
Opening balance of write-down on inventories	-4,255	-6,233	-6,233
Created (Costs of products, goods and materials sold)	-1,272	-1,929	-1,334
Utilised	0	0	0
Released (Costs of products, goods and materials sold)	2,202	3,907	3,642
Closing balance of write-down on inventories	-3,325	-4,255	-3,925

7.4. Impairment write-downs on trade and other receivables

	30.06.2024	31.12.2023	30.06.2023
Opening balance of impairment write-down on receivables	-6,096	-6,736	-6,736
Created	-1,046	-1,388	-881
Utilised	2,867	177	53

Released	922	1,851	1,250
Closing balance of impairment write-down on receivables	-3,353	-6,096	-6,314

8. Shareholding structure

The Company's shareholding structure is presented in *Note 23.3* of the Notes to the abbreviated consolidated half-yearly financial statements.

9. Business combinations

There were no business combinations in the reporting period.

10. Transactions with related parties

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

10.1. Revenue from sales to related parties

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Revenue from sales of products (services)	366	7
Revenue from sales of goods and materials	1,605	0
Total	1,971	7

10.2. Purchase from related parties

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Purchase of services	221	179
Purchase of goods and materials	455	512
Purchase of tangible fixed assets, intangible assets, investment real properties and other	0	0
Total	676	691

10.3. Financial revenue

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Interest on borrowings and bonds	30	52
Dividends received	0	110
Total	30	162

10.4. Financial costs

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Interest on bonds	0	0

Total	0	0
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10.5. Other financial assets

	30.06.2024	30.06.2023
Short-term		
Borrowings granted	0	0
Total	0	0

10.6.Receivables from related parties

	30.06.2024	31.12.2023
Short-term		
Trade and other receivables	213	29
Other receivables	0	0
Short-term receivables (gross)	213	29
Write-downs on receivables	0	0
(Net) short-term receivables	213	29

10.7.Liabilities to related parties

	30.06.2024	31.12.2023
Short-term		
Trade liabilities	40	41
Bond liabilities	0	0
Total	40	41

10.8.Remuneration of managers

REMUNERATION PAID AND DUE

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Management Board, including:	979	1,280
Piotr Bieliński – President of the Management Board	494	643
Sławomir Harazin – Vice-President of the Management Board	485	637

REMUNERATION OF SENIOR MANAGEMENT

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Remuneration of the Members of the Company's Management Board	979	1,280
Remuneration of key executive personnel	3,802	3,357
Total	4,781	4,637

Key executive personnel includes the Company's Directors.

11.Net cash inflows from operating activities

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Gross profit / loss for the financial year	25,252	18,211
Adjustments:	-18,927	2,369

– Income tax paid	-4,954	-2,096
– Amortisation and depreciation of tangible fixed assets and intangible assets	3,923	4,501
– (Profits) losses on investment activities, of which:	-15,778	84
Impairment write-downs	-3,128	0
(Profits) losses on measurement of financial instruments	-30	84
(Profits) losses on sale of non-financial assets	-12,046	0
(Profits) losses on sale of financial assets	0	0
(Profits) losses on foreign exchange differences	-574	0
(Profits) losses on redemption of commercial bonds		
Other	0	0
– Interest revenue	-2,565	-2,213
– Interest expenses	24	34
– Other, including:	423	2,059
Change in provisions	0	0
Valuation of commercial bonds	0	2,280
Change in prepayments/accruals	0	0
Change in liabilities due to employee benefits	59	212
Other adjustments	364	-433
Changes in working capital:	65,470	21,648
– Inventories	44,361	17,750
– Trade and other receivables	24,468	15,054
– Trade and other liabilities	-3,359	-11,156
Net cash inflows from operating activities	71,795	42,228

12. Other investment inflows/outflows

	for the period 1.01.2024–30.06.2024	for the period 1.01.2023–30.06.2023
Other investment inflows/outflows, of which:		
– Acquisition of shares	-2,843	-4,240
– Borrowings repaid	0	500
– Received interest on deposits	2,049	1,896
– Received interest on borrowings and receivables	89	0
– Other	0	0
– Acquisition/redemption of corporate bonds	1,774	-6,980
– Acquisition of units in funds	-10,121	0
– Dividends received	0	110
Total	-9,052	-8,714

13. Contingent assets and liabilities

As at 30 June 2024, the Company held contingent receivables due to the repayment of receivables in the amount of PLN 6,002k. Hedging liabilities under the agreements signed as at the reporting date and not reflected in the Company's abbreviated half-yearly financial statements amounted to PLN 15,232k as at 30 June 2024 and PLN 14,806k as at 31 December 2023.

	30.06.2024	31.12.2023	30.06.2023
1. Contingent receivables	6,002	3,619	3,625
1.1. From other entities (due to)	6,002	3,619	3,625

– guarantees and sureties received	2,602	3,619	3,625
– conditional additional payment due to a change in the selling price of the real property	3,400	0	0
2. Contingent liabilities	15,232	14,806	8,391
2.1 To other entities (due to)	15,232	14,806	8,391
– guarantees and sureties granted	15,232	14,806	8,391
2.2. To related parties (due to)	0	0	0
– guarantees and sureties granted	0	0	0
3. Other (due to)	0	0	0
Total off-balance sheet items	21,234	18,425	12,016

14. Events after the balance sheet date

Events after the balance sheet date are described in detail in *Note 18* of the abbreviated consolidated half-yearly financial statements.

15. Other information regarding the abbreviated half-yearly financial statements

15.1. Issue, redemption and repayment of non-equity and equity securities

The issue of bonds is described in *Note 23.1* of the abbreviated consolidated half-yearly financial statements.

15.2. Court proceedings

Court proceedings are described in *Note 23.4* of the consolidated half-yearly financial statements.

15.3. 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 27 September 2024.

Piotr Bieliński

President of the Management Board

Sławomir Harazin

Vice-President of the Management Board

Agnieszka Sulewska

Person responsible for keeping the accounts

Zamienie, 27 September 2024.

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

1. ACTION S.A. Group

1.1. General information

Name (business name) of the parent company:	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:	action@action.pl
Website:	www.action.pl
REGON (Business ID):	011909816
NIP (Tax ID):	527-11-07-221

1.2. Primary activity of ACTION S.A. Capital Group

The primary activity carried out in the ACTION S.A. Capital Group is the activity of its parent entity – ACTION S.A. (hereinafter referred to as the Issuer, the Company), which focuses on multi-branch distribution and trade conducted both through the consumer (B2C) and business (B2B) channels, as well as on the manufacture of own brands and running of specialist portals. In accordance with the Polish Classification of Activity (PKD), the primary object of the parent entity's activity is wholesale of computer accessories (PKD 2007 4690Z).

THE ACTION S.A. CAPITAL GROUP CONDUCTS ITS ACTIVITY VIA A NUMBER OF PROJECTS DEDICATED TO B2B AND B2C SEGMENTS:

B2B SEGMENT



A distributor of advanced IT solutions for networks, ICT networks, photovoltaics, smart home, CCTV and emergency power supply. It offers technical support and state-of-the-art logistics facilities connected with the B2B i-serwis platform. It cooperates with top manufacturers in the business solutions segment.



It manages relationships with business partners globally. As a reliable partner in the field of e-commerce, it is growing dynamically, providing the

most popular products on the market through its B2B i-serwis platform and thanks to an automated order processing via API, EDI, CSV, XML.

It offers a wide range of products for interior design, from furniture to decoration, toys, household items, innovative gadgets, as well as pet products and sports equipment.



B2C SEGMENT AND E-COMMERCE PROJECTS



A multi-branch online shop which, besides consumer electronics, offers household appliances, products for children, cosmetic and beauty products, medical and sports products, automotive products, music and DIY products.



Online shop with a wide range of pet products for dogs, cats, rodents, birds and fish from well-known and reliable manufacturers; krakvet.pl experts run a blog and forum for their registered customers.



One of the largest online shops in Poland, with a wide range of weapons and defence articles available without a permit, shooting products and survival accessories from international manufacturers.



Expert in the area of gaming and business notebooks. The shop offers comprehensive support through live chat and unique benefits, such as an extra month of guarantee, longer return times and shorter complaint processing times.

PRODUCT BRANDS



A manufacturer of high quality inks and toners, as well as a wide range of innovative lighting products, office equipment and household items.



ACTIS is a **renowned brand** which specialises in the manufacture of **efficient inks and toners** intended mainly for use in the office.



A **computer hardware brand** with over 20 years of experience. Actina is not only **tens of thousands** computers sold, but also a fleet that provides support to the **largest gaming and e-sports events** in Poland and Europe.

PORTALS



A website committed to introducing into the world of **gaming and pop culture**, while offering a wide range of content. From news to reviews, quizzes and feature articles, Gram.pl is a place where **enthusiasts can find information and inspiration**. Users will also find regular video programmes here that are dedicated to pop culture and gaming – Gram TV News.

Tablety.pl

A portal about the world of new technologies which provides users with rich base of reviews, guides and news. By focusing on products such as tablets, smartphones and other mobile devices and accessories, **the website offers practical advice and professional analyses of the latest gadgets.**

TESTORIA

The website which **introduces into the world of technical novelties and ingenious gadgets.** This is a space where everyone who values modernity and facilities in everyday life will be able to find something to their taste. Starting from the best phones and ending with smart household solutions.

1.3. Products and services

The Issuer generates revenue from wholesale classified according to the typology presented below:

- IT/components,
- consumer electronics,
- RTV/AGD,
- home/garden/tools,
- other.

In addition, the Company generates revenue from online sales. The following categories dominate in terms of revenue: **IT/ components** and **consumer electronics** which account for, respectively:

- 37.19% and 27.98% of sales revenue of ACTION S.A.;
- 36.77% and 27.67% of sales revenue of the ACTION S.A. Capital Group.

Sales revenue of ACTION S.A. represented 98.86% of the sales revenue of the ACTION S.A. Capital Group in the reporting period.

The tables below present a detailed distribution of sales revenue by category in the reporting period and the year-on-year changes.

ACTION S.A.			
	H1 2024	H1 2023	change y/y [%]
IT/Components	421,345	450,173	-6.40%
Consumer electronics	317,040	299,929	5.70%
Audio/video appliances & household equipment	158,454	156,390	1.32%
Home/Garden/Tools	57,444	61,897	-7.19%
Other	178,611	171,742	4.00%
	1,132,894	1,140,130	

ACTION S.A. Capital Group			
	H1 2024	H1 2023	change y/y [%]
IT/Components	421,345	450,173	-6.40%
Consumer electronics	317,040	299,929	5.70%
Audio/video appliances & household	158,454	156,390	1.32%

equipment			
Home/Garden/Tools	57,444	61,897	-7.19%
Other	191,617	177,885	7.72%
	1,145,900	1,146,273	

1.4. Markets

During the reporting period, the dominant market was the domestic market which accounted for, respectively, 53.39% of sales revenue of ACTION S.A. and 53.92% of sales revenue of the ACTION S.A. Capital Group. The tables below present a detailed distribution of sales revenue by territory in the reporting period and the year-on-year changes.

ACTION S.A.			
	H1 2024	H1 2023	change y/y [%]
Domestic sales	604,908	535,317	13.00%
Export outside the European Union	74,869	64,259	16.51%
Sales to EU Member States	453,117	540,554	-16.18%
Σ	1,132,894	1,140,130	

ACTION S.A.			
	H1 2024	H1 2023	change y/y [%]
Domestic sales	617,914	541,460	14.1%
Export outside the European Union	74,869	64,259	16.5%
Sales to EU Member States	453,117	540,554	-16.2%
Σ	1,145,900	1,146,273	

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

In H1 2024, ACTION S.A. generated sales revenue of PLN 1,132,894k. In H1 2023, sales revenue was PLN 1,140,130k (year-on-year decrease: -0.63%). The net profit of ACTION S.A. earned in H1 2024 amounted to PLN 20,856k, while in H1 2023, it was PLN 14,899k (year-on-year increase: 25.36%).

SELECTED FINANCIAL DATA OF ACTION S.A.

	H1 2024	H1 2023
Net sales	1,132,894	1,140,130
Gross profit/loss on sales	95,908	101,584
EBITDA	27,358	21,823
Net profit/loss	20,856	14,899

In H1 2024, the entities of the ACTION S.A. Capital Group generated sales revenue of PLN 1,145,900k. In H1 2023, sales revenue was PLN 1,146,273k (year-on-year decrease: -0.03%). The net profit of the ACTION S.A. Capital Group earned in H1 2024 amounted to PLN 20,793k, while in H1 2023, it was PLN 14,431k (year-on-year increase: 27.71%).

SELECTED FINANCIAL DATA OF ACTION S.A. CAPITAL GROUP

	H1 2024	H1 2023
Net sales	1,145,900	1,146,273
Gross profit/loss on sales	101,099	101,584
EBITDA	28,096	21,999
Net profit/loss	20,793	14,431

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.
- Development of the platform through:
 - Further expansion into foreign markets;
 - Continuing to seek acquisition targets.

2. Assessment of the management of the Group's financial resources

2.1. Margin indicators

The tables below present gross margin, EBITDA margin, gross profit margin and net profit margin for ACTION S.A. and the ACTION S.A. Capital Group together with the calculation methodology and changes as compared to the previous reporting period.

ACTION S.A.				
indicator	methodology	H1 2024	H1 2023	change y/y [%]
Gross margin	revenue from sales of goods and materials – cost of goods and materials sold) / revenue from sales of goods and materials	8.47%	8.70%	-2.65%
EBITDA margin	(operating profit + depreciation) / revenue from sales of goods and materials	2.41%	1.91%	26.16%
Gross profit margin	Gross profit / revenue from sales of goods and materials	2.23%	1.60%	39.55%
Net profit margin	Net profit / revenue from sales of goods and materials	1.84%	1.31%	40.88%

ACTION S.A. Capital Group				
indicator	methodology	H1 2024	H1 2023	change y/y [%]
Gross margin	revenue from sales of goods and materials – cost of goods and materials sold) / revenue from sales of goods and materials	8.82%	8.86%	-0.45%
EBITDA margin	(operating profit + depreciation) / revenue from sales of goods and materials	2.45%	1.92%	27.76%
Gross profit margin	Gross profit / revenue from sales of goods and materials	2.25%	1.58%	42.99%
Net profit margin	Net profit / revenue from sales of goods and materials	1.81%	1.26%	44.13%

2.2. Return on equity and return on assets

The tables below present return on equity [ROE] and return on assets [ROA] for ACTION S.A. and the ACTION S.A. Capital Group together with the calculation methodology and changes as compared to the previous reporting period.

ACTION S.A.				
indicator	methodology	H1 2024	H1 2023	change y/y [%]
ROE (Return on Equity)	net profit / equity	4.83%	3.40%	41.91%
ROA (Return on Assets)	net profit / assets	3.14%	2.36%	33.08%

ACTION S.A. Capital Group				
indicator	methodology	H1 2024	H1 2023	change y/y [%]
ROE (Return on Equity)	net profit / equity	4.82%	3.29%	46.62%
ROA (Return on Assets)	net profit / assets	3.12%	2.27%	37.25%

2.3. Liquidity ratios

The tables below present cash ratio, quick ratio and current ratio for ACTION S.A. and the ACTION S.A. Capital Group together with the calculation methodology and changes as compared to the previous reporting period.

ACTION S.A.				
indicator	methodology	H1 2024	H1 2023	change y/y [%]
Cash ratio	cash / short-term liabilities	0.67	0.52	27.35%
Current ratio	(cash + short-term receivables + inventories) / short-term liabilities	2.85	3.92	-27.42%
Quick ratio	(cash + short-term receivables) / short-term liabilities	1.40	1.88	-25.76%

ACTION S.A. Capital Group				
indicator	methodology	H1 2024	H1 2023	change y/y [%]
Cash ratio	cash / short-term liabilities	0.66	0.52	28.32%
Current ratio	(cash + short-term receivables + inventories) / short-term liabilities	2.84	3.87	-26.65%
Quick ratio	(cash + short-term receivables) / short-term liabilities	1.39	1.85	-24.83%

2.4. Debt-to-equity ratio

The tables below present debt-to-equity ratio [D/E] for ACTION S.A. and the ACTION S.A. Capital Group together with the calculation methodology and changes as compared to the previous reporting period.

ACTION S.A.				
indicator	methodology	H1 2024	H1 2023	change y/y [%]
D/E	(Total liabilities + provisions for liabilities) / equity	53.74%	44.17%	21.66%

ACTION S.A. Capital Group				
indicator	methodology	H1 2024	H1 2023	change y/y [%]
D/E	(Total liabilities + provisions for liabilities) / equity	54.58%	44.85%	21.52%

3. Description of the Group's organisation 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.

4. Effects of changes in the Group's structure

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 partnership with respect to the warehouse, logistics and delivery services. The entities previously and currently related to PDS shall provide their support in terms of industry knowledge and experience.

Total value of the aforementioned transaction (including current and possibly future acquisitions of PDS shares) represents 0.75% of the Company's total assets. The transaction was financed from the Company's own funds.

PDS 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 shops PomocDlaSeniora.pl and medsenio.pl and a brick-and-mortar shop. Annual revenue of PDS from the sale of products and services have not exceeded the equivalent of EUR 10 million so far.

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 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.

5. Realisation of forecasts

In the reporting period, the Company did not publish any stock exchange forecasts of results.

6. 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 2024, i.e. as at 29 May 2024:

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%

Shareholding structure above 5% share in the share capital as at the date of preparation and submission of this report for H1 2024, i.e. 27 September 2024, 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
Fundacja Rodzinna Bielińskich	3,413,107	20.64%	3,413,107	20.64%
Aleksandra Matyka	2,886,264	17.45%	2,886,264	17.45%
Wojciech Wietrzykowski	1,040,866	6.29%	1,040,866	6.29%
Lemuria Partners Sicav P.L.C.	1,320,000	7.98%	1,320,000	7.98%
Mariusz Jaworski	1,506,248	9.11%	1,506,248	9.11%
ACTION S.A.	1,094,897	6.62%	1,094,897	6.62%
Other	5,275,618	31.91%	5,275,618	31.91%

7. 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 2024, i.e. 29 May 2024, 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	0

First and last name	Position in the management of ACTION S.A.	number of shares of ACTION S.A
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 at the date of submitting the current report for H1 2024, i.e. 27 September 2024, 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	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

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

Court proceedings are described in *Note 23.4 Court proceedings* of the abbreviated consolidated half-yearly financial statements. Apart from the proceedings described in *Note 23.4*, there are no other proceedings pending before competent arbitration authorities. Material proceedings before public administration authorities are described in *Note 3.4 Taxes*.

9. Non-arm's length transactions with related parties

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

10. Information on borrowings granted

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

11. Information on guarantees and sureties granted

As at 30 June 2024, the value of guarantees and sureties granted by the Group amounted to PLN 15,232k, of which:

Bank guarantees totalling PLN 1,330k (EUR 308k);

Bank guarantees totalling PLN 3,427k (USD 850k);

Bank guarantees totalling PLN 10,475k.

12. Information about the acquisition of own shares

In the years 2022–2024 (until 25 March 2024), the Company carried out share buybacks as part of the implementation of the own 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 of 14 April 2023, 13, 17 and 18 of 21 June 2023, 3 and 4 of 26 October 2023 and 3 and 4 of 28 February 2024) and in accordance with the detailed terms and conditions for the buyback of own shares published in current reports Nos: 52/2022 of 28 October 2022, 36/2023 of 14 April 2023, 58/2023 of 22 June 2023, 97/2023 of 26 October 2023 and 21/2024 of 28 February 2024. The described own share buyback scheme was finalised and all own shares totalling 3,500,000 were redeemed and cancelled (voluntary redemption), and the Company's share capital was reduced by PLN 350,000. These activities were carried out in two stages, i.e. with respect to 1,300,000 of own shares with a nominal value of PLN 130,000 under Resolutions Nos 14 and 15 of the Ordinary General Meeting of 21 June 2023 (registration by the court of the reduction in share capital by the value of redeemed and cancelled shares took place on 16 August 2023) and with respect to 2,200,000 of own shares with a nominal value of PLN 220,000 under Resolutions Nos 12 and 13 of the Ordinary General Meeting of 19 June 2024 (registration by the court of the reduction in share capital by the value of redeemed and cancelled shares took place on 27 June 2024).

The reason for acquiring own shares covered by the above scheme was to fulfil the purposes of this transaction. Pursuant to the aforementioned documents, the Company's own shares could be acquired for the purpose of: redemption, cancellation and reduction of the Company's share capital or further resale by the Company. The Company has decided on one of the above purposes for all of the above shares, i.e. they have been redeemed and cancelled, and the Company's share capital has been reduced. The total value of the aforementioned own shares acquired and cancelled by the Company, understood as the total price paid for these shares, amounts to PLN 77,990k.

Moreover, on 19 June 2024, the Issuer commenced the implementation of another own share buyback scheme on the basis of the authorisation contained in Resolutions Nos 14 and 15 of the Ordinary General Meeting of ACTION S.A. of 19 June 2024 and in accordance with the detailed terms and conditions for the buyback of own shares published in current report No 52/2024 of 19 June 2024.

The reason for acquiring own shares as part of the currently implemented scheme is to fulfil the purposes of this transaction. Pursuant to the aforementioned documents, the Company's own shares may be acquired for the purpose of: redemption, cancellation and reduction of the Company's share capital or disposal by the Company, or further resale by the Company. The Management Board is authorised to specify in detail the purpose of acquiring own shares in the scope specified in the preceding sentence; where the purpose is the redemption and cancellation of own shares and reduction of the Company's share capital, the purpose is confirmed in a resolution of the General Meeting on the redemption of shares. The Company has not yet decided on the aforementioned purposes regarding the own shares currently held.

In the period from the beginning of the buyback until 30 June 2024, the Issuer acquired 3,320 own shares (ISIN code: PLACTIN00018) with a nominal value per share of PLN 0.10 and a total nominal value of PLN 332.00. The total value of the aforementioned shares acquired by the Company, understood as the total price paid for these shares, amounts to PLN 66,832.10.

At the same time, the Issuer announces that as at 27 September 2024, the Company holds 1,094,897 own shares (ISIN code: PLACTIN00018) with a nominal value per share of PLN 0.10 and a total nominal value of PLN 109,489.70. The total value of the aforementioned shares acquired by the Company, understood as the total price paid for these shares, amounts to PLN 36,963,114.16.

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

During the first six months of 2024, there were no unusual events affecting the operations and results of the Company.

14. Factors affecting the Group's results by the end of 2024

During the reporting period:

- the Company continued to repay its composition-related liabilities, which resulted in:
 - limited ability to obtain external financing,
 - low level of insurance credit limits allocated to the Company by suppliers,
 - significant improvement in cash flows from operating activities,
 - continuation of financial costs due to recorded discounting of long-term composition-related liabilities,
 - the impact of the above factors on the structure of the balance sheet.

The Company identifies activity of the tax authorities described in detail in *Note 3.4* of the abbreviated consolidated half-yearly financial statements as a material factor in the Company's perception through its stakeholders, which may affect the implementation of the objectives adopted by the Company.

15. Exposure to key risk factors

TAX RISK

Tax settlements and other regulated areas of activities may be subject to inspection by competent administration authorities, which are authorised to impose high penalties and sanctions. A lack of reference to established legal regulations in Poland results in the occurrence of ambiguities and inconsistencies in the current regulations. Frequent differences in opinions on the legal interpretation of tax regulations within state authorities as well as in relations between state authorities and businesses result in uncertainty and conflicts. Those phenomena cause the tax risk in Poland to be much higher than in those countries with more developed tax systems.

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, the 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 been insuring all 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.

The credit risk connected with bank deposits, derivatives and other investments is deemed insignificant as the Group makes transactions with entities having a stable financial position.

LIQUIDITY RISK

The Group is exposed to liquidity risk understood as the risk of loss of the capacity to settle obligations on agreed dates. This risk results from potential limitation of access to financial markets, which may result in an inability to obtain new financing or to refinance debt. In the opinion of the Management Board, the considerable value of cash as at the balance sheet date, the credit lines available and the good financial standing of the Group cause that the risk of losing liquidity should be considered as insignificant.

CURRENCY RISK

The Group is exposed to the foreign exchange risk, in particular 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 Group applies tools securing against the foreign exchange risk by making short-term currency forward contracts for the purchase/sale of currencies.

BUSINESS RISK

- Risk related to possible suspension of the activity of courier companies (pandemics, blackout, exclusion of some European and Polish routes due to the war in Ukraine).
- Risk connected with temporary decrease in the number of trained employees of the supply chain resulting from the necessity to undergo the quarantine or involve in the war in Ukraine, either directly or indirectly.
- Risk of introducing restrictions to the movement of goods – current restrictions in the entire EU do not affect the restrictions in the movement of goods. In order to limit the impact of export restrictions on the trading activity, the Company started using the ZG-PL-DU-1 general authorisation and individual authorisations.
- Risk of decrease in demand related to a long-term crisis caused by the pandemic or indirect impact of the war in Ukraine.
- Risk of disruption of the supply chain due to the pandemic or indirect impact of the war in Ukraine.
- The risk of significant market imbalances and their consequences in terms of consumer and investment behaviour.

16.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 in the period covered by the report is presented in items 6 and 7 above.

17.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 parties under non-arm's length conditions.

18.Information on guarantees and sureties granted by the Company

As at 30 June 2024, the value of guarantees and sureties granted amounted to PLN 15,232k, including:

- Bank guarantees totalling PLN 1,330k (EUR 308k);
- Bank guarantees totalling PLN 3,427k (USD 850k);
- Bank guarantees totalling PLN 10,475k.

19.Information on loans incurred by the Company

On 3 October 2023, the Issuer concluded Annex No 8 to the Multi-Product Agreement No 808/2022/00000962/00 of 28 March 2022 concluded by the Issuer with ING Bank Śląski S.A. (hereinafter referred to as the "Agreement").

Pursuant to Annex No 8 of 4 October 2023, the basic terms and conditions of the Agreement have been amended, in particular:

1) the amount of the loan limit has been increased to PLN 50,000,000.00 (in words: fifty million zlotys 0/100): and the availability period of the loan limit has been prolonged until 3 October 2025;

2) the amount of the Sublimit has been increased to PLN 50,000,000.00 (in words: fifty million zlotys 0/100) available by 3 October 2025 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 11,000,000.00 (in words: eleven million euros 00/100);

c) Revolving Loans in Bank Account in USD up to the Maximum Debt Ceiling: USD 12,000,000.00 (in words: twelve million American dollars 0/100);

3) the amount of the Sublimit has been increased to PLN 50,000,000.00 (in words: fifty million zlotys 0/100) available by 3 October 2025 to be used for other services in the form of bank guarantees in: PLN, EUR, USD, granted by the Bank at the Customer's request;

4) the amount of the Sublimit has been increased to PLN 50,000,000.00 (in words: fifty million zlotys 0/100) available by 3 October 2025 to be used for other services in the form of letters of credit in: PLN, EUR, USD, granted by the Bank at the Customer's request;

5) the amount of the revolving loan has been increased to PLN 55,000,000.00 (in words: fifty five million zlotys 0/100), which is used to service the repayment of the Customer's liabilities under the available Products, and the availability period of the revolving load has been prolonged until 9 October 2026.

Pursuant to Annex No 8, the Parties have determined:

- 1) the final repayment date of the revolving loans to be 3 October 2025, which is at the same time the final maturity date;
- 2) the final date for bank guarantees to be 3 October 2026, where the period of liability cannot exceed 12 months;
- 3) the final date for letters of credit to be 3 April 2026, where the period of liability may not exceed 6 months.

In order to legally secure its liabilities towards the Bank, the Issuer has undertaken to:

- 1) establish a registered pledge on a separated part of the inventory with a value of 150% of the amount of the revolving loan (increase of the highest amount of security);
- 2) assign the rights under the insurance policy limited to PLN 82,500,000.00;
- 3) submit 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 82,500,000.00 covering the extended availability period.

Piotr Bieliński

**President of the Management
Board**

Sławomir Harazin

**Vice-President of the Management
Board**

Zamienie, 27 September 2024.