

Appendix No. 2 to Minutes No. 2/2021 of the ACTION S.A. Supervisory Board Meeting of 31.03.2021.

**Report of the Supervisory Board of ACTION S.A.
on results of the assessment of the Management Report, the consolidated financial statements,
the Management Board's motion and information regarding the distribution of profit and the
assessment of the standing of the ACTION Capital Group for financial year 2020**

The Supervisory Board of ACTION S.A. with its registered office in Zamienie conducted:

- assessed the Management Board's report on the operations of the ACTION S.A. Capital Group for financial year 2020, the consolidated financial statements of the ACTION S.A. Capital Group for financial year 2020 to the extent of their correspondence to the books and documents as well as to the facts, and the Management Board's motion and information regarding the distribution of profit made and the evaluation of the condition of the ACTION S.A. Capital Group for the financial year 2020, pursuant to Article 382(3) of the Commercial Companies Code;
- concisely assessed the standing of the ACTION S.A. Capital Group, and hereby it submits the report on that assessment.

I. MANAGEMENT REPORT ON THE GROUP'S OPERATIONS

In its report on the operations of the ACTION S.A. Capital Group in financial year 2020, the Management Board indicated:

Key financial data in 2020 and a discussion of the development prospects of the ACTION S.A. Capital Group in the coming financial year, presenting the following information:

Sales revenues:	PLN 2,062,236
Profit on sales:	PLN 129,035
Operating profit:	PLN 156,833
EBITDA:	PLN 165,000
Net profit:	PLN 185,110

The Management Board pointed out that the sales revenues of the ACTION Capital Group in 2020 increased compared to the value from the previous year by 25.7%.

At the same time, the Management Board emphasised that, as in the previous year, the values presented above are burdened by the effects of the restructuring proceedings pending in the Company within the meaning of the provisions of the Act of 15 May 2015. Restructuring Law (consolidated text of the Journal of Laws of 2019, item 2217 – hereinafter: the Restructuring Law). Bearing in mind, 2020 was the last year of the Company's operation under the restructuring proceedings.

Moreover, the Management Board indicated that the values described above are burdened with other factors and events of atypical nature. Bearing in mind the burdens arising from the implementation of the approved arrangement, the Management Board signalled that it would focus on the further implementation of the assumed forecast described in detail in current report No. 59/2018 of 24 October 2018 (updated in current report No. 40/2019 of 3.09.2019) taking into account its deviations that may arise from the Board's assessment of the impact of the COVID-19 threat on the Company's operations.

The Management Board emphasised that the main areas of planned activities and the basic pillars of the Group's new strategy are:

- l) The exploitation of the current market situation connected with the COVID-19 pandemic, which strengthens the demand for products offered by the Company;

II) The use of strong business pillars worked out during the restructuring process.

- i) Action Business Centre
- ii) E-commerce Automation
- iii) Consumer Product

III) Development of the product portfolio in the scope of high-margin products, compliant with current trends and innovations

The Management Board assessed that the most important factors affecting the results generated in the future include:

- in relation to internal factors:

- a) 1. Current analysis of effects of changes resulted from the restructuring plan implementation.
- b) Current analysis of the profitability of transactions and markets served with a clear focus on the market of small clients and the retail market, in particular e-commerce in Poland and abroad.
- c) Constant supervision over the development of Sferis.pl.
- d) Current supervision over the scope of commercial offer and entering new markets.
- e) Strict control of the effectiveness of managing the current assets, in particular stocks.
- f) Current monitoring of risks connected with the ACTION Capital Group's operations and undertaking measures aimed at their limitation or elimination.
- g) Current analysis and strict control of the cost effectiveness of operations conducted.
- h) Current control and effective management of finances in the conditions of limited financing.
- i) Effective use of logistic resources.
- j) Impact of the COVID-19 epidemic effects, in particular in relation to possible staff limitations and subsequent changes in the existing processes and in the scope of the above listed issues.

- in relation to external factors:

- a) Further course of the fiscal proceedings conducted against the Issuer and appeal proceedings connected therewith.
- b) Results of fiscal proceedings conducted against the Issuer's biggest competitors and their impact on their operating activities and the market structure.
- c) Attitude of financial institutions, including banks and insurers, towards the results of fiscal proceedings pending against entities from the sector.
- d) Changes on the distribution market and consumer behaviours.
- e) Technological changes in products offered.
- f) Changes in market shares of the Issuer's largest suppliers and clients.
- g) Economic and political situation in Poland and in the world.
- h) Effects of implemented and planned changes in law.
- i) Scale of investments implemented in Poland, in particular IT investments.
- j) Changes in the current and long-term monetary policy in Poland and in the world.
- k) Impact of the COVID-19 epidemic effects, in particular on supply and demand for goods offered by the Issuer and the above-mentioned issues.

In its report on operations of the Capital Group, the Management Board also presented:

- material risk factors related to the Group's activities,
- corporate governance principles,
- information on the basic groups of goods offered by the Group and their share in total sales,
- information on sales markets,

- information on agreements that are significant for the Group's operations,
- information on equity relationships, major capital investments and directions for the Group's development,
- major transactions with related entities concluded on non-market conditions,
- information on credits taken out, on loan agreements and on guarantees and sureties granted in favour of the Group Companies,
- information on loans, guarantees and sureties granted,
- description of the use of proceeds from the issue of shares,
- information concerning the explanation of differences between the forecasts and figures disclosed in the annual report,
- assessment of human resource management and the structure of assets, equity and liabilities in the consolidated statement of financial position, including the following data:

Liquidity ratios	31.12.2020	31.12.2019
Current ratio (current assets/current liabilities)	2.05	0.87
Quick ratio (liquid current assets/current liabilities)	1.22	0.52
Cash ratio (short-term investments/current liabilities)	0.45	0.17

The Management Board explained that as a result of the continuation of activities related to the implementation of the restructuring plan, the Action Capital Group has significantly improved its already increasing liquidity ratios. Certainly, the depreciation of the value of composition liabilities had an impact on such a significant improvement. As a consequence, the above-described liquidity ratios significantly exceed values recorded in the sector and in general in the economy. At the same time, the Management Board stressed that it must be borne in mind that the challenges associated with the implementation of the composition agreement may to some extent correct this picture in the coming years.

Level and structure of working capital in thousands of PLN	Change	31.12.2020	31.12.2019
1. Current assets	21.95%	471,350	386,521
2. Cash and securities	28,942	104,609	75,667
3. Adjusted current assets (1-2)	17.98%	366,741	310,854
4. Current liabilities	-48.28%	229,991	444,727
5. Short-term loans	-100.00%	0	112,460
6. Adjusted current liabilities (4-5)	-30.78%	229,991	332,267
7. Working capital (1-4)	-514.66%	241,359	-58,206
8. Need for working capital (3-6)	-738.63%	136,750	-21,413
9. Net cash balance (7-8)	384.32%	104,609	-36,793
10. Share of equity in the financing of current assets (7:1) in %		51%	-15%

The Management Board noted that, as in the case of the liquidity ratios, the completion of the remedial proceedings and the very good results related to operations recorded in 2020 reflected positively on the image of the management of current assets. Despite a significant increase in current assets, the Group managed to rotate them faster than in the previous year. In addition, the value of the reduction in liabilities from the period before the restructuring together with adequate share of this value in increase of equity and full reduction of interest debt allowed independent financing of assets necessary for the implementation of business goals. As a consequence, the ACTION S.A. Capital Group presented a very safe image of working capital, indicating full possibilities to serve both business needs and composition liabilities.

Debt ratios	31.12.2020	31.12.2019
General debt ratio	0.52	0.81
Equity to assets ratio	0.43	0.19
Interest debt / Equity	0.00	1.11

Carrying amounts recorded in 2020 also significantly improved the value of debt ratios, as a result of which the value of the total debt ratio dropped to the level of 0.52 despite the recognition of the value of

composition liabilities in equity and liabilities. The value of debt liabilities at the end of 2020 decreased to zero.

The percentage structure of the consolidated balance sheet as at 31 December 2020 and as at 31 December 2019 is as follows:

	31.12.2020		31.12.2019	
ASSETS				
Fixed assets	159,269	25.26%	159,886	29.26%
Tangible fixed assets	139,511	22.12%	149,766	27.41%
Goodwill	0	0.00%	0	0.00%
Other intangible assets	6,168	0.98%	6,575	1.20%
Investment real property	3,545	0.56%	3,545	0.65%
Financial assets	0	0.00%	0	0.00%
Shares in associates measured with the equity method	0	0.00%	0	0.00%
Deferred income tax assets	10,045	1.59%	0	0.00%
Trade and other receivables	0	0.00%	0	0.00%
Current assets	471,350	74.74%	386,521	70.74%
Stocks	190,919	30.27%	156,233	28.59%
Trade and other receivables	175,450	27.82%	154,621	28.30%
Current income tax receivables	0	0.00%	0	0.00%
Financial derivatives	372	0.06%	0	0.00%
Other financial assets	0	0.00%	0	0.00%
Cash and cash equivalents	104,609	16.59%	75,667	13.85%
Total assets	630,619	100.00%	546,407	100.00%
EQUITY				
Equity attributable to the Company's shareholders	300,303	47.62%	101,606	18.60%
Share capital	2,004	0.32%	1,696	0.31%
Surplus resulting from the sale of shares above their nominal value	62,231	9.87%	62,231	11.39%
Other reserve capitals	-901	-0.14%	30,000	5.49%
Retained profit	238,283	37.79%	17,108	3.13%
Foreign exchange differences from conversion of a foreign operation		0.00%	-69	-0.01%
Other components of equity		0.00%	0	0.00%
Minority interests / Controlling interests	-1,314	-0.21%	-9,360	-1.71%
Total equity	300,303	47.62%	101,606	18.60%
LIABILITIES				
Long-term liabilities	100,325	15.91%	74	0.01%
Loans, borrowings and other liabilities on account of financing	100,255	15.90%	0	0.00%
Lease liabilities	70	0.01%	74	0.01%
Deferred income tax provision	0	0.00%	0	0.00%
Short-term liabilities	229,991	36.47%	444,727	81.39%
Trade and other liabilities	223,877	35.50%	331,208	60.62%
Loans, borrowings and other liabilities on account of financing	0	0.00%	112,460	20.58%
Lease liabilities	147	0.02%	508	0.09%
Current income tax liabilities	4,604	0.73%	0	0.00%
Employee benefit liabilities	1,363	0.22%	551	0.10%
Financial derivatives		0.00%	0	0.00%
Provisions for other liabilities and charges		0.00%	0	0.00%
Total liabilities	330,316	52.38%	444,801	81.40%
Total equity and liabilities	630,619	100.00%	546,407	100.00%

The Management Board's position indicates that due to the conclusion of the composition agreement and

as a consequence of changes in the value of liabilities as well as new asset items, the balance sheet of the ACTION S.A. Capital Group underwent significant structural changes. Details of the effects of the arrangement on the content of the report are described in detail in the note Impact of the arrangement with creditors on the financial statements. The consequence of these activities was a significant decrease in the value of current liabilities and change in the structure of liabilities due to their maturity, with the simultaneous increase in the value of capitals possessed. At the same time, due to a significant increase in the value of activities performed and due to the growing profitability of operating activities, also the total value of the balance sheet increased.

Characteristics of assets

At the end of 2020, the value of current assets significantly increased and amounted to PLN 471,350 , which constituted 74.74% of the value of assets, in which the value of stocks constituted 30.27% of assets, while the value of receivables constituted 27.82%. The value of financial resources had 16.59% share in assets. The remaining part of assets, i.e. fixed assets, was dominated by tangible fixed assets, whose share in assets amount to 22.12%.

Characteristics of equity and liabilities

In relation to equity and liabilities, the largest change was a gigantic increase in the value of equity, whose value at the end of 2020 reached 300,303 and represented the largest share in asset financing, constituting 47.62%. As far as obligations are concerned, the structure of their maturity as well as the value and classification into individual types of obligations were subject to changes. Obligations that occurred before the commencement of the restructuring process were adjusted in particular by the value of depreciation, conversion and discount, which caused:

- the occurrence of non-interest bearing long-term obligations of PLN 100,225, constituting 15.9% of the value of liabilities,
- the decrease in the value of trade obligations to PLN 223,877, constituting 35.5% of the value of liabilities,
- the full reduction of interest debt from the liabilities of the ACTION S.A. Capital Group.

Moreover, the Management Board's report presents:

- major events having an influence on the results of operations,
- a description of the structure of main capital investments,
- a description of the organisation of the Group with the indication of the entities subject to consolidation,
- a description of the Capital Group's development policy,
- a description of significant off-balance sheet items, indicating that such items include only contingent receivables and liabilities,
- information concerning the entity authorised to audit financial statements,
- information of the Management Board about the selection of the audit firm,
- list of changes in the Issuer's shares held by persons managing and supervising the Company, according to the information available to the Company,
- identification of material proceedings pending before a court, competent arbitration authority or public administration authority,
- statement on non-financial information.

The appendix to the Management Board's report on operations includes a statement on the principles of corporate governance, containing the elements indicated in Article 71(5) of the Regulation of the Minister of Finance of 29.03.2018 (Journal of Laws of 2018, item 757) on current and periodic information provided by issuers of securities and the conditions for recognising as equivalent the information required by the laws of a non-member state, Article 29 of the Rules of the Warsaw Stock Exchange and Resolution No. 26/1413/2015 of the Supervisory Board of the Warsaw Stock Exchange of 13 October 2015 on the adoption of the "Best Practices for Companies Listed on the WSE 2016".

The Supervisory Board estimates that the aforementioned data and factual circumstances included in the Management Report for 2020 and audited by the Supervisory Board are consistent with the books, the Company's documents and the facts. The above assessment was carried out by the Supervisory Board on the basis of:

a) the Management Board's report on the ACTION S.A. Capital Group's operations for 2020 and the consolidated financial statement of the ACTION S.A. Capital Group for 2020,

b) the additional report regarding the statutory audit of the annual financial statement performed by the independent certified auditor, i.e. Grant Thornton Polska Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with its registered office in Poznań,

information of the Audit Committee of ACTION S.A. about the course and results of the reliability of the audit of the Company's financial reporting contained in the Report on the activities of the Audit Committee for 2020,

own analyses contained in this Supervisory Board's report on the results of the assessment of the Management Board's report, the consolidated financial statement, the Management Board's motion and information regarding the distribution of profit and the ACTION S.A. Capital Group's standing for financial year 2020.

II. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The consolidated financial statements of the ACTION S.A. Capital Group were prepared in accordance with the International Financial Reporting Standards ("IFRS") approved by the EU, issued and binding as at the balance sheet date and in matters not regulated by these Standards, in accordance with the Accounting Act dated 29 September 1994.

The annual consolidated financial statements of the ACTION S.A. Group for the period ended 31 December 2020 comprise: the consolidated statement of comprehensive income, the consolidated statement of financial position, the statement of changes in consolidated equity, the consolidated cash flow statement and notes containing a description of key accounting principles and selected explanatory notes. In the period covered by the consolidated financial statements, the Group companies, excluding ACTION S.A. , ACTION EUROPE GmbH, and LAPADO Handelsgesellschaft GmbH, kept their accounting books in compliance with the accounting policy (principles) laid down by the Accounting Act of 29 September 1994 and regulations issued thereunder. The Consolidated Financial Statement comprises adjustments not included in the books of the Group's entities, entered in order to bring the financial statements of these entities into line with the IFRS. Since 1 January 2010 ACTION S.A. has been keeping its account books in accordance with the International Financial Reporting Standards ("IFRS") approved by the EU, issued and binding as of the balance sheet date and in matters not regulated by these Standards – in accordance with the Accounting Act dated 29 September 1994. ACTION EUROPE GmbH and LAPADO Handelsgesellschaft GmbH keep their accounting books in accordance with German accounting laws.

In accordance with the data contained in the consolidated financial statements of the Capital Group for the period from 1 January 2020 to 31 December 2020:

- the consolidated statement of comprehensive income for the period from 1.01.2020 to 31.12.2020 shows comprehensive income for the period in the amount of PLN 183,611;
- - the consolidated statement of financial position as of 31 December 2020, showing total assets and equity & liabilities of PLN 630,619;
- the statement of changes in consolidated equity for the period from 1 January 2020 to 31 December 2020 shows a value of PLN 300,303 at the end of the period;
- the consolidated cash flow statement for the period from 1 January 2020 to 31 December 2020 shows a value of PLN 104,609 at the end of the period.

The Supervisory Board estimates that the aforementioned data and factual circumstances included in the Group's financial statements for 2020, audited by the Supervisory Board, are consistent with the books, documents and facts. The above assessment was carried out by the Supervisory Board on the basis of:

a) the Management Board's report on the ACTION S.A. Capital Group's operations for 2020 and the consolidated financial statement of the ACTION S.A. Capital Group for 2020,

- b) the additional report regarding the statutory audit of the annual consolidated financial statement performed by the independent certified auditor, i.e. Grant Thornton Polska Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with its registered office in Poznań,
- c) information of the Audit Committee of ACTION S.A. about the course and results of the reliability of the audit of the Company's financial reporting contained in the Report on the activities of the Audit Committee for 2020,
- c) own analyses contained in this Supervisory Board's report on the results of the assessment of the Management Board's report, the consolidated financial statement, the Management Board's motion and information regarding the distribution of profit and the ACTION S.A. Capital Group's standing for financial year 2020.

III. MANAGEMENT BOARD 'S MOTION REGARDING THE DISTRIBUTION PROFIT

The Management Board of ACTION S.A. with its registered office in Zamienie requested that the Company's profit for the financial year 2020, covering the period from 1 January 2020 to 31 December 2020, be distributed at the amount of PLN 185,890,719.62. by allocating it entirely to the Company's supplementary capital.

As regards the Group's subsidiaries, the Management Board stated that the companies that earned profits decided to allocate them to the dividend payout, to the supplementary capital or to the coverage of previous years' losses. The companies that incurred losses decided to cover them with profits earned in future periods or by allocating funds from the supplementary capital.

The Supervisory Board positively assesses the foregoing Management Board's motion and declares that it accedes to the acceptance of the motion. Justifying the foregoing, it should be pointed out that the profit distribution method proposed by the Management Board is justified, as the profit earned should be allocated precisely to the supplementary capital. Considering, in particular, the need to settle liabilities towards creditors under the composition agreement as well as the current situation related to COVID-19, the Company's security of an appropriate amount of cash within its equity is justified in the opinion of the Supervisory Board.

IV. CONCISE ASSESSMENT OF THE STANDING OF THE CAPITAL GROUP ACTION S.A.

In 2020 the following entities were members of the Capital Group:

Parent: company:

ACTION S.A. with its registered office in Zamienie

subsidiaries and associated entities:

SFK Sp. z o.o. in liquidation, with its registered office in Kraków – a subsidiary (100%). The Company was struck off from the National Court Register on 16 October 2020.

SFERIS MARKETING Sp. z o.o. (formerly ACTION GAMES LAB S.A.) with its registered office in Zamienie – a subsidiary (40%)¹⁾

CLOUDTEAM Sp. z o.o. (formerly ACTION CENTRUM EDUKACYJNE Sp. z o.o.) with its registered office in Warsaw – an associated entity (24.38%)²⁾

ACTIVEBRAND Sp. z o.o. with its registered office in Zamienie – subsidiary (52%)³⁾

ACTION EUROPE GmbH in Liquidation, with its registered office in Braunschweig (Germany) – a subsidiary (100%)⁴⁾

ACTION (GUANGZHOU) TRADING CO., LTD in Liquidation with its registered office in Guangzhou (China) – a subsidiary (100%)⁵⁾

¹⁾ SFERIS MARKETING Sp. z o.o. (formerly ACTION GAMES LAB S.A.) with its registered office in Zamienie, was incorporated and consolidated as at 12 December 2011. The name was changed on 23 June 2020. On 22 October 2020, the joint stock company was transformed into a limited liability

- company.
- 2) CLOUDTEAM Sp. z o.o. with its registered office in Warsaw – a company measured using the equity method since 1 October 2012. On 28 February 2020, SYSTEMS Sp. z o.o. was merged with CLOUDTEAM Sp. z o.o. as the acquirer.
 - 3) ACTIVEBRAND Sp. z o.o., with its registered office in Zamienie, was established on 3 September 2012.
 - 4) ACTION EUROPE GmbH in Liquidation, with its registered office in Braunschweig (Germany), was consolidated as of 8 July 2013. On 1 April 2014, by way of a purchase of non-controlling interests (33.33%), the share of ACTION S.A. was increased to 100%.
 - 5) ACTION (GUANGZHOU) TRADING CO., LTD in Liquidation with its registered office in Guangzhou (China) was consolidated as of 1 July 2016.

Changes in the Group's composition during the reporting period:

In the period covered by the report, LAPADO Handelsgesellschaft GmbH in Liquidation with its registered office in Potsdam (Germany) was excluded from consolidation due to its liquidation and removal from the court register. As a result of the liquidation of LAPADO Handelsgesellschaft GmbH, the majority shareholder of ACTION S.A. in restructuring took over the entire debt of LAPADO Handelsgesellschaft GmbH, which resulted in the reduction in equity of ACTION S.A. in restructuring. In the period covered by the statement, the share capital of ACTIVEBRAND Sp. z o.o. was increased from PLN 5,000 to PLN 50,000, 52% of shares and votes at the shareholders' meeting was held by ACTION S.A. The remaining 48% was held by MW ASSET MANAGEMENT S.A. with its registered office in Kraków. The increase in the share capital was entered into the National Court Register on 7 September 2020.

Third-party shares in subsidiaries:

1. SFERIS MARKETING Sp. z o.o. (formerly ACTION GAMES LAB S.A.) – 60% of shares vested with 75% of votes at the meeting of the company's shareholders is owned by Piotr Bieliński.
2. ACTIVEBRAND Sp. z o.o. – 48% of shares of the company is owned by MW ASSET MANAGEMENT S.A.

ACTION EUROPE GmbH was engaged in distribution activities in the wholesale of IT equipment, consumer electronics and household appliances. In October 2018, ACTION EUROPE GmbH filed a liquidation petition with the court. As of the date of this report, the company has been liquidated. ACTION (GUANGZHOU) TRADING CO., LTD in Liquidation carried out commercial activities in the food industry in China. On 05.08.2020, the Management Board of ACTION S.A. decided to dissolve and liquidate the subsidiary ACTION (GUANGZHOU) TRADING CO., LTD. As of the date of this report, the company has been liquidated. The main business profile of CLOUDTEAM Sp. z o.o. is training and IT services, and the rental of computer hardware. SFERIS MARKETING Sp. z o.o. (formerly ACTION GAMES LAB S.A.) provides advertising services. SFK Sp. z o.o. in liquidation was struck off from the court register. ACTIVEBRAND Sp. z o.o. in the fourth quarter of 2020 resumed its operating activities. ACTIVEBRAND Sp. z o.o. conducts commercial activity in the field of animal products, including in particular an online shop krakvet.pl.

The financial year 2020 was another and the last reporting period in the activity of the Company and the Capital Group in the course of the ongoing restructuring proceedings within the meaning of the provisions of the Restructuring Law Act of 15 May 2015. Since the commencement of the remedial proceedings to date, the Company and the Group entities have continued to consistently conduct their business and have implemented and completed restructuring procedures aimed at improving its financial position. However, despite the ongoing remedial proceedings and the state of the Covid-19 epidemic in 2020, the entire Group managed to generate a profit of over PLN 185,110, which, in the opinion of the Supervisory Board, should be regarded as an optimistic element of the restructuring process and its effective completion, providing a realistic chance for the Company and the Group to implement the assumptions resulting from the composition agreement, as well as implementing the financial forecast adopted by the Company in

November 2019 (published in current report 40/2019).

The completion of the Company's restructuring proceedings on 15 December 2020 allowed for opening a new chapter in the Capital Group's operations, without any restrictions related to restructuring. At this point, the Supervisory Board emphasises that the measures taken by the Management Board (during the recovery proceedings and after its completion and within the scope of the composition agreement) should be assessed positively, mainly due to the size of Action and its Capital Group and many difficulties, especially in the initial phase of restructuring. The Supervisory Board indicates that it monitors the performance of the composition agreement on an ongoing basis. In this respect, the Supervisory Board is kept informed about the most important events. The Management Board has been in constant contact with the Supervisory Board to provide necessary information and clarifications.

The key assumption of the Group's policy is business flexibility and a continuous search for attractive growth areas. The Group will continue to sign new distribution agreements for the supply of hardware and software, and for the distribution of toys, power tools, medical equipment and pet supplies. The Group assumes maintaining the current policy to ensure a sustained increase in the value of own brands as well as continued growth of the Group.

As regards the assessment of the internal control system and the risk management system in the Capital Group, it should be emphasised that in the case of subsidiaries, the internal control standards (as described in the Supervisory Board's report on the Company) are implemented mainly through regular reporting of the activities of these entities to the Company, as well as the combination of the functions of members of the Management Board in the Company and its subsidiaries by the same persons in some of the companies.

The Supervisory Board is of the opinion that the data contained in the reports covered by the assessment and this report allow it to conclude that the current situation of the Capital Group is stable, directed towards further development.

Zamienie, 31 March 2021

Iwona Bocianowska

Piotr Chajderowski

Adam Świtalski