

**Current report no.** 99/2017

**Prepared on:** 2017-12-08

**Subject:** Draft assumptions of new arrangement proposals.

**Legal basis:** Article 17(1) of the Market Abuse Regulation – confidential information

**Content of the report:**

In reference to the information provided in the current report 94/2017 of 28 November 2017 and current report 23/2017 the Management Board of ACTION S.A. in restructuring (the Company, the Issuer), and in attachment to this report containing a Presentation for Creditors, in which the Company informs about the planned inform of new arrangement proposals to creditors on 8 December 2017, hereby presents in the attachment to this report draft assumptions for new arrangement proposals.

At the same time, the Company explains that the plan which provide more detailed arrangement proposals was based on the assumption of issuing on 7 December 2017 by relevant administrative courts of judgments on key disputable tax issues, the settlement of which may affect the value of receivables under restructuring. However, according to the current report no. 96/2017 of 07.12.2017, the Supreme Administrative Court in Warsaw postponed the publication of the judgment in the case from the cassation complaint filed by the Company until 18 December 2017, and in the case before the Provincial Administrative Court from the Company's complaint Director of the Tax Chamber in Warsaw, the publication of the judgment has been postponed until 21 December 2017.

Nevertheless, the Company decided to present the basic assumptions for new arrangement proposals in order to consult with creditors and start negotiations based on them aimed at concluding the arrangement.

**Assumptions for the new arrangement proposals of the Company**

**From 8 December 2017**

These assumptions for new arrangement proposals have been prepared by ACTION S.A. in restructuring with it's registered office in Warsaw (the "Company") on 8 December 2017 ("New Proposals"). The Company will submit New Proposals to the files of the ongoing restructuring proceedings open on 1 August 2016 ("Restructuring

Proceedings") after their detailed with consideration, including the results of consultations with the Company's creditors.

## 1. POSTANOWIENIA OGÓLNE

1.1. Receivables covered by the arrangement will be satisfied within the group to which the particular creditor will belong ("Group") in accordance with art. 161 par. 1 of the Act of 15 May 2015 - Restructuring Law (Journal of Laws of 2015, item 978, hereinafter: "April"), where the New Proposals prepared by the Company assume the division of the creditors into four Groups:

1.1.1. **Group no. 1:** includes all creditors under civil law or under public law, including also those creditors whose debt is covered pursuant to the act by the arrangement, and it's existence and value will be established including those of creditors whose claims are covered by the arrangement, and their existence or amount will be confirmed after approval of the list of claims, excluding creditors belonging to Group II, Group III and Group IV

1.1.2. **Group no. 2 - the Group of Minor Creditors:** includes creditors with main debt not exceeding the amount of PLN 50 000.00 on the day of opening the restructuring procedure excluding creditors belonging to Group III and Group IV

1.1.3. **Group III - Group of Cooperating Commercial Creditors:** covering all commercial creditors who cooperated with the Company on the day of opening the Restructuring Proceedings, and after opening the restructuring proceedings continued this cooperation until the day of concluding the arrangement: continuously provided sale support the Company with sales support during this period, with detailed parameters will be determined based on objective and economically justified criteria in accordance with the provisions of restructuring law.

1.1.4. **Group IV Bondholders:** covering creditors, who holds the bonds issued by the Company obejmująca wierzycieli,(series bonds ACT01040717).

As part of the development of detailed restructuring conditions for individual groups, the Company is considering and planning to use the following restructuring methods:

- (i) Repayment of at least 40% of principal receivables in 20 quarterly installments, on dates and amounts depending on the Group;
- (ii) Repayment of some principal receivables under Art. 157 restructuring law from the Company's profit or similar income of the enterprise, which will not be necessary for the running of the Company's day-to-day business, such as, for example, surplus cash;
- (iii) Conversion of a part of principal receivables into Company shares, pursuant to art. 169 sec. 3 and 4 restructuring law.

- (iv) Remission of 100% interest due for the period up to the date of opening the restructuring proceedings as well as after that date, as well as all incidental debts (costs, fees, contractual penalties, etc.) in all Groups.
- (v) The cancellation of principal claims that will not be paid in accordance with the abovementioned points.