

Current report no. 25/2018

Prepared on: 2018-05-17

Subject: Management Board motion regarding the cover the loss

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

Content of the report:

Content of the report: The Management Board of ACTION S.A. in restructuring (the Company, the Issuer) hereby informs, that today i.e. 17.05.2018 filed a motion regarding to coverage of loss indicated in the Company's financial statements for the financial year 2017 in the amount of -52 080 717,21 PLN. The above mentioned motion will be directed for Supervisory Board meeting. At the same time the Management Board indicates that this proposal will be submitted to the Annual General Meeting of ACTION S.A. after opinion issued by the Supervisory Board. According to article 395 (2) (2) of the Commercial Companies Code Annual General Meeting is obliged to pass a resolution concerninig to cover the loss.

At the same time, the Issuer's Management Board emphasizes that the current activity of the Company, characterized by gaining profit taking in particular financial years, proceeds from the issue of the Company's shares in the public offering and the conducted dividend policy, enabled the accumulation of high reserve capital. In the current situation of the Company it is justified that the reserve capital is intended to cover the loss for the financial year 2017. According to § 19 (4) of the Articles of Association reserve capital is created for this purpose.