

**Current report no.:** 52/2018

**Prepared on:** 26-09-2018

**Subject:** Position of the Council of Creditors regarding the continuation of sanation proceedings and voting on the composition.

**Legal basis:** Article 17 section 1 – MAR confidential information

**Report contents:**

The Management Board of ACTION S.A. under reconstruction (the Company, Issuer) notifies that today, on 26 September 2018, the Company received a copy of the minutes of the meeting of the Council of Creditors held on 25 September 2018 in which the council established the sanation proceedings of the Issuer.

According to the above document, the Council of Creditors adopted, inter alia, Resolutions no. 2 and 3/09/2018, in which it deemed that sanation proceedings should end with an immediate call of the creditors' meeting in order to vote on the composition and that the creditors, after such a long waiting time, should have the opportunity to express their opinions on the matter of making a composition. Consequently, the Council of Creditors postulates to immediately end the formalities necessary to approve the list of debt claims and to call the meeting of creditors to vote on the composition.

The above resolutions were adopted at the request of the Judge-commissioner, who asked the Council of Creditors to take a stand whether: a) it is grounded to further conduct sanation proceedings of Action S.A. in Warsaw, or whether the proceedings should be subject to discontinuation in light of information about the subsequent reporting periods, in which the Company's financial result is negative (in particular having regard to information on financial result for 2017); b) the currently conducted proceedings serve the interests of all the creditors and whether the Company has a chance to improve its financial results which would allow for satisfying the creditors through a potential composition to a larger extent than conducting bankruptcy proceedings.

The Issuer's Management Board agrees with the position of the Council of Creditors and within the scope of its powers will undertake steps to fulfil the postulates of the Council of Creditors.