

Current report no. 29/2020

Date prepared: 20-07-2020

Subject: Decision about the intention to transform the Issuer's related company.

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

Content:

The Management Board of ACTION S.A. in restructuring (the Company, the Issuer) informs that today, on 20 th July 2020, it has undertaken in consultation with it's related company Sferis Marketing S.A. with headquarters in Zamienie (formerly Action Games Lab S.A.) a decision on the intention to transform it into a limited liability company. The above decision is dictated by the intention to further reduce the operating costs of the ACTION S.A. Capital Group. However as a result of the transformation of Sferis Marketing S.A. the share capital and the scope of voting rights (and other corporate rights) of the Company in the above-mentioned a related company will not change.

Management Board of ACTION S.A. in restructuring, would like to indicate that the transformation of Sferis Marketing S.A. in a limited liability company will avoid the following obligatory costs related to the operation of a joint-stock company:

- cost of auditing financial statements by a statutory auditor;
- share registration and shareholder service costs;
- the cost of remuneration of members of the supervisory board (which body will not function in Sferis Marketing after conversion).

In addition, it should be noted that the costs of the transformation procedure will not be high due to the activities related to it by the Company on its own and resulting from Art. 559§1 of the Commercial Companies Code no obligation to audit the transformation plan by an auditor. In the opinion of the Management Board of ACTION S.A. under restructuring, the planned transformation will not have any affect the functioning of the related company, as well as the existing rights of the Company in Sferis Marketing S.A.