

Current report no. 31/2020

Date prepared: 05-08-2020

Subject: Decision on the liquidation of the Issuer's subsidiary

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) hereby informs that today, on 5th August 2020, the Management Board decided to dissolve and liquidate the subsidiary ACTION (GUANGZHOU) TRADING CO., LTD, of which the Issuer is the sole shareholder. In implementing this decision, the Company will adopt an appropriate resolution and further actions aimed at liquidation.

In the opinion of the Management Board of the Company, the above decision is currently the most advantageous form of disinvestment. It should also be acknowledged that the described activities are also part of the restructuring measure consisting in giving up less profitable sales channels, described in point 4.II.4. Restructuring Plan.

The decision to liquidate the subsidiary was also influenced by the current economic situation in the world caused by the COVID_19 virus and the related restrictions on the possibility of trade with China, transactions that were mainly carried out on the ACTION S.A. line. and ACTION (GUANGZHOU) TRADING CO., LTD have been significantly reduced. In view of the situation and the uncertainty as to the further development of trade opportunities with China, in the opinion of the Management Board, it is unjustified to maintain a subsidiary trading company in China.

In turn, the implementation of activities aimed at resignation from unprofitable sales channels has an obvious and direct impact on the rightful interests of the Company's creditors.