

**Current report no.** 1/2020

**Date prepared:** 05-01-2020

**Subject:** Activities of the Issuer as part of the arrangement

**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 in the implementation of the legally approved arrangement in the restructuring proceedings of the Company (hereinafter: the Agreement), the Issuer started its implementation.

In accordance with the provisions of the articles: 2.1. Group I, point (iii), 2.2. Group II, points (i), 2.3. Group III, point (i), 2.4. Group IV, items (i) and (iii) of the Agreement, the first payments (in the case of Groups II and III - all receivables, in accordance with the Agreement) will be made by the last working day of the calendar month following the quarter in which the decision to approve the Agreement becomes final, i.e. 29 th January 2021.

In the case of Creditors belonging to Group IV, who are bondholders of the series ACT01 040717 bonds issued by the Company, the "Cash Repayment" (within the meaning of Article 2.4. Group IV point (i) of the Agreement) will be made through the National Depository for Securities S.A. For this purpose, the Company has registered an event - payment of benefits with the following parameters:

Date of payment of the benefit: 29th January 2021 (in accordance with Article 2.4. Group IV point (iii) of the Agreement);

Date of establishing the law: 21.01.2021 (in accordance with point 1 of the Definition of Terms and Conditions of the Series ACT01 040717 Bonds - "Date of Establishing Rights to Benefits from Bonds").

The company also took steps to establish security, in accordance with the Agreement. The issuer concluded the agreement within the period specified in article 1.11. Of the agreement, the contracts with the pledge administrator indicated therein and will start preparing applications for entry of registered pledges in accordance with the content of art. 1.12 of the Agreement. Moreover, due to the expiry of the deadline for submitting mortgage requests (pursuant to Article 1.5 (i) of the Agreement), the Company submitted the above requests to the notary public for the purpose of preparing a notarial deed establishing the mortgage within the time limit also specified in Art. 1.5. point (i) of the Agreement.

The Issuer also informs that after delivering to the Company a copy of the legally binding decision on the approval of the Agreement, it will take steps to register the share capital increase in the register of entrepreneurs of the National Court Register and provided for in Article 2.4. point (i) and article 3. of the system of conversion of receivables into shares of a new issue - series D shares. At the same time, pursuant to art. 169 paragraph. 3 of the Restructuring Law Act, the legally approved Agreement replaces the activities related to the increase of the share capital specified in this provision. Pursuant to this regulation, the share capital of the Company was increased from the amount of 1 6957 00 thousands PLN as of 15 th December 15 2020. up to 2 003 700 thousands PLN i.e. by

the amount of PLN 308 000 PLN equal to the nominal value of 3 080 000 series D shares. New issue shares are allocated to Group IV creditors who are bondholders of the series ACT01 040717 bonds issued by the Company. In accordance with the above, the allocation of shares series D will be based on the data on the entitled persons of 15/12/2020 with the parity of 308 series D shares for each 1 bond. Pursuant to the provisions of Article 3 point 11 of the Agreement, the converted shares will be subject to dematerialisation, admission and introduction to trading on the regulated market operated by the Warsaw Stock Exchange S.A. The company will take steps to register new issue shares through the National Depository for Securities S.A.