

MERGER PLAN

agreed between

**ACTION Spółka Akcyjna
(Acquiring Company)**

and

**ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością
(Acquired Company)**

I. GENERAL INFORMATION

This Merger Plan (hereinafter: the “**Merger Plan**”) was agreed and signed on 18th May 2022 pursuant to Articles 498-499 of the Act of 15 September 2000 – the Code of Commercial Companies (consolidated text: Dziennik Ustaw of 2020, item 1526, as amended – hereinafter: the “**CCC**”) by Boards of Directors of:

a) **ACTION Spółka Akcyjna** with its registered seat in Zamienie (as an acquiring company – hereinafter: “**ACTION**” or the “**Acquiring Company**”)

b) **ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością** with its registered seat in Krakow (as an acquired company – hereinafter: “**ACTIVEBRAND**” or the “**Acquired Company**”),

the Acquiring Company and the Acquired Company are jointly referred to as the “**Companies**” and individually as a “**Company**”.

The Merger Plan has been agreed on by the Companies.

II. LEGAL STATUS, BUSINESS NAMES AND REGISTERED OFFICES OF THE MERGING COMPANIES

1. Acquiring Company:

a) **Business name:** ACTION Spółka Akcyjna

b) **Legal status:** spółka akcyjna (joint-stock company), a public company under Article 4 § 1(6) of the CCC and Article 4(20) of the Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organised trading, and public companies (consolidated text: Dziennik Ustaw of 2021, item 1983).

c) **Registered office:** ul. Dawidowska 10, Zamienie, 05-500 Piaseczno.

The Acquiring Company has been entered into the register of entrepreneurs of the National Court Register under entry no. KRS 0000214038, registry files kept by the District Court for Capital City of Warsaw, XIV Commercial Department of the National Court Register, assigned the tax identification number NIP 5271107221 and the National Business Registry Number (REGON) 011909816. Paid up share capital of PLN 2,003,700.00, comprising of 20,037,000 shares of par value 0.10 PLN each, which include: 11,910,000 series A Shares, 4,500,000 series B Shares, 547,000 series C Shares, and 3,080,000 series D Shares. All shares from A, B, C, and D series constitute ordinary bearer shares.

2. Acquired Company:

a) **Business name:** ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością

b) **Legal status:** spółka z ograniczoną odpowiedzialnością (limited liability company)

c) **Registered office:** ul. Zakopiańska 9, 30-418 Kraków.

The Acquired Company has been entered into the register of entrepreneurs of the National Court Register under entry no. KRS 0000438104, registry files kept by the District Court for Kraków-Śródmieście, XI Commercial Department of the National Court Register, assigned the tax identification number NIP 1231273690 and the National Business Registry Number (REGON) 146368221. Share capital of PLN 50,000.00, comprising of 500 shares of par value of 100.00 PLN each. There are no preferential rights attached to the shares.

All shares in the Acquired Company are owned by the Acquiring Company being the only shareholder.

III. LEGAL ASPECTS OF THE MERGER

1. LEGAL BASIS

The merger will be carried out by transferring all assets owned by the Acquired Company to the Acquiring Company, *i.e.* a merger by acquisition pursuant to the provisions of Article 492 § 1 of the CCC.

Due to the fact that the Acquiring Company directly owns 100% of all shares in the Acquired Company's share capital (being a single-person limited liability company owned by the Acquiring Company), pursuant to Article 514 § 1 CCC and Article 516 § 6 in conjunction with Articles 516 § 5 and 500 § 2¹ of the CCC, the Merger will be carried out in the following manner:

- share capital of the Acquiring Company will not be increased (Article 514 of the CCC);
- the Merger Plan does not include elements indicated in Article 499 § 1(2)-(4) CCC, *i.e.*: the ratio of exchange of shares of the Merged Company for shares of the Merging Company; rules concerning the allocation of shares in the Merging Company; the date from which the shares of the Merging Company granted to the Merged Company's shareholder entitle to participate in the profits of the Merging Company (Article 516 § 6 of the CCC)
- the Merger Plan will not be *ex lege* subjected to audit by a statutory auditor (Article 516 § 6 in conjunction with Article 516 § 5 of the CCC);
- the Merger Plan will not be published in the Court and Commercial Gazette, but instead will be made publicly available at no additional cost on the merging Companies' websites (Article 500 § 2¹ of the CCC);

In order to lay down the detailed reasons for the Merger and its expected outcomes, the Boards of Directors of the merging Companies will draw up non-mandatory reports justifying the Merger as provided for in Article 516 § 6 in conjunction with Article 516 § 5 of the CCC (the reports will include all necessary elements as indicated in Article 501 of the CCC).

Due to the fact that the planned Merger will be carried out without increasing the share capital of the Acquiring Company, and at the same time, there arise no additional circumstances which would require amendments to the Acquiring Company's articles of association, the articles of association of ACTION S.A. will not be amended as a result of the Merger. Accordingly, the statutory requirement specified in Article 499 § 2 of the CCC – according to which the Merger Plan should include the draft amendments to the Merging Company's articles of association – does not apply.

2. RESOLUTIONS OF GENERAL MEETINGS (SHAREHOLDERS MEETINGS) ON MERGER

With reference to Article 506 § 1-6 of the CCC, a merger requires resolutions adopted by the general meetings or the shareholders meetings of the merging companies.

Pursuant to Article 506 § 1 of the CCC, "The merger of the companies requires the resolutions of the shareholders meeting or the general meeting of each of the merging companies by a majority of three-quarters of the votes representing at least half of the share capital, unless the articles of association of the company provide for stricter conditions". – the provision applying to the merger resolution of the Shareholders Meeting of the Acquired Company.

Pursuant to Article 506 § 2 of the CCC: "The decision of the general meeting of a **public company** on the merger with another company requires a **two-thirds majority**, unless the statutes of the company provide for stricter conditions." – **the provision applying to the merger resolution of the General Meeting of the Acquiring Company being a public company.**

Merger resolutions shall approve the Merger Plan.

The draft resolutions are attached as Appendices 1a) – 1b).

3. MERGER APPROVALS

Pursuant to Article 15(5) in conjunction with Article 4(14) of the Act of 16 February 2007 on Competition and Consumer Protection (consolidated act, Dziennik Ustaw of 2021, item 275), since the Companies are entities within the same capital group, the Merger does not constitute a concentration required to be mandatorily disclosed to the President of the Office of Competition and Consumer Protection.

The Merger of the Companies indicated in this Merger Plan constitutes a part of the consolidation process of ACTION S.A. Capital Group.

IV. RATIO OF THE SHARES OF THE ACQUIRED COMPANY TO BE EXCHANGED FOR THE SHARES OF THE ACQUIRING COMPANY. RULES OF ALLOTMENTS OF SHARES IN THE ACQUIRING COMPANY AND THE DAY AS OF WHICH THE MERGER SHARES ENTITLE TO PARTICIPATE IN THE PROFITS OF THE ACQUIRING COMPANY

Due to the form and method of the Merger indicated in Section II.1 of the Merger Plan, and pursuant to Article 516 § 6 of the CCC, the shares of the Acquired Company will not be exchanged for the shares of the Acquiring Company. Accordingly, the rules of allotments of shares in the Acquiring Company, as well as the day as of which these shares would entitle to participate in the profits of the Acquiring Company, will not be set forth.

V. RIGHTS GRANTED BY THE ACQUIRING COMPANY TO THE SHAREHOLDERS OF THE ACQUIRED COMPANY OR OTHER PERSONS ENJOYING SPECIAL RIGHTS IN THE ACQUIRED COMPANY

Due to the form and method of the Merger, no special rights will be granted by the Acquiring Company to the shareholders of the Acquired Company or any persons enjoying special rights in the Acquired Company.

VI. SPECIAL BENEFITS GRANTED TO THE MEMBERS OF THE CORPORATE BODIES OF THE MERGING COMPANIES AND OTHER PARTICIPANTS IN THE MERGER.

Due to the form and method of the Merger, no benefits have been granted to the members of the corporate bodies of the merging companies or other participants in the merger.

APPENDICES TO THE MERGER PLAN:

The **Acquiring Company is a public company** required to disclose and make available to its shareholders the semi-annual financial statements in pursuant to relevant provisions regulating public offerings and conditions governing the introduction of financial Instruments to organised trading and public companies. Accordingly, acting **pursuant to Article 499 § 4 CCC, the acquiring company has not prepared a statement containing information on the company's accounting situation for the purposes of the merger.**

1. Appendix No. 1a – Draft resolution of the General Meeting of ACTION S.A. on the Merger with ACTIVEBRAND Sp. z o.o.;
2. Appendix No. 1b – Draft regulation of the Shareholders Meeting of ACTIVEBRAND Sp. z o.o. on the Merger with ACTION S.A.;
3. Appendix No. 2 – Valuation of the assets of ACTIVEBRAND Sp. z o.o. – the Acquired Company as of 30 April 2022;

4. Appendix No. 3 – Statement containing information on the financial situation of ACTIVEBRAND Sp. z o.o. – the Acquired Company as of 30 April 2022.

The Merger Plan was agreed on and signed on 18 May 2022.

ACTION Spółka Akcyjna

Piotr Bieliński – President and CEO

Sławomir Harazin – Vice-President

ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością

Kazimierz Lasecki – President

**Appendix No. 1a
to the Merger Plan dated 18 May 2022**

**Draft resolution of the Ordinary General Meeting of ACTION Spółka Akcyjna on the merger with
ACTIVEBRAND Sp. z o.o.**

**Resolution No. ____
of the Ordinary General Meeting of ACTION Spółka Akcyjna
____ 2022**

Acting pursuant to Article 492 § 1(1), Article 506 § 2, 4-5, Article 516 § 6 of the Commercial Companies Code (hereinafter: the “**CCC**”) and § 11(1)(6) of the Company’s Articles of Association, the Ordinary General Meeting of ACTION Spółka Akcyjna (hereinafter: the “**Company**”), and having reviewed the Merger Plan of ACTION Spółka Akcyjna with its registered seat in Zamienie (the acquiring company) with ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością with its registered seat in Kraków (the acquired company) agreed on and signed on ____ May 2022 and disclosed in ACTION S.A. Current Report No. ____/2022 dated ____ May 2022 and made available on the merging companies’ websites on the same day, hereby resolves as follows:

- 1.** It is hereby decided to effect the merger of ACTION Spółka Akcyjna with its registered seat in Zamienie entered into the register of entrepreneurs of the National Court Register under entry no. KRS 0000214038, registry files kept by the District Court for Capital City of Warsaw, XIV Commercial Department of the National Court Register, assigned the tax identification number NIP 5271107221 and the National Business Registry Number (REGON) 011909816 (hereinafter: the “**Acquiring Company**”) and its subsidiary ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością with its registered seat in Kraków entered into the register of entrepreneurs of the National Court Register under entry no. KRS 0000438104, registry files kept by the District Court for Kraków-Śródmieście, XI Commercial Department of the National Court Register, assigned the tax identification number NIP 1231273690 and the National Business Registry Number (REGON) 146368221 (hereinafter: the “**Acquired Company**”), carried out pursuant to Article 492 § 1(1) of the CCC, *i.e.* by transferring all of the assets of the Acquired Company to the Acquiring Company.
- 2.** The Ordinary General Meeting of the Acquiring Company hereby approves the Merger Plan of ACTION Spółka Akcyjna with its registered seat in Zamienie (acquiring company) and ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością with its registered seat in Kraków, agreed on and signed on ____ May 2022 and disclosed in ACTION S.A. Current Report No. ____/2022 dated ____ May 2022 and made available on the merging companies’ websites on the same day.
- 3.** The Ordinary General Meeting of the Acquiring Company hereby resolves that as the result of the merger, the articles of association of ACTION Spółka Akcyjna will not be amended due to the fact that the Acquiring Company is the sole direct shareholder in the Acquired Company and therefore, the merger will be carried out pursuant to Article 514 of the CCC without increasing the share capital of the Acquiring Company, whilst there arise no additional circumstances which would require amendments to the Acquiring Company’s articles of association.
- 4.** This resolution becomes effective as of the date of its adoption.

ACTION Spółka Akcyjna

Piotr Bieliński – President and CEO

Sławomir Harazin – Vice-President

ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością

Kazimierz Lasecki – President

**Appendix No. 1b
to the Merger Plan dated 18 May 2022**

**Draft resolution of the Extraordinary Shareholders Meeting of ACTIVEBRAND
Spółka z ograniczoną odpowiedzialnością on the merger with ACTION S.A.**

**Resolution No. ____
of the Extraordinary Shareholders Meeting of ACTIVEBRAND
Spółka z ograniczoną odpowiedzialnością
____ 2022**

Acting pursuant to Article 492 § 1(1), Article 506 § 2, 4-5, Article 516 § 6 of the Commercial Companies Code (hereinafter: the “**CCC**”) and § 11(1)(6) of the Company’s Articles of Association, the Extraordinary Shareholders Meeting of ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością (hereinafter: the “**Company**”), and having reviewed the Merger Plan of ACTION Spółka Akcyjna with its registered seat in Zamienie (the acquiring company) with ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością with its registered seat in Kraków (the acquired company) agreed on and signed on ____ May 2022 and disclosed in ACTION S.A. Current Report No. ____/2022 dated ____ May 2022 and made available on the merging companies’ websites on the same day, hereby resolves as follows:

- 1.** It is hereby decided to effect the merger of ACTION Spółka Akcyjna with its registered seat in Zamienie entered into the register of entrepreneurs of the National Court Register under entry no. KRS 0000214038, registry files kept by the District Court for Capital City of Warsaw, XIV Commercial Department of the National Court Register, assigned the tax identification number NIP 5271107221 and the National Business Registry Number (REGON) 011909816 (hereinafter: the “**Acquiring Company**”) and its subsidiary ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością with its registered seat in Kraków entered into the register of entrepreneurs of the National Court Register under entry no. KRS 0000438104, registry files kept by the District Court for Kraków-Śródmieście, XI Commercial Department of the National Court Register, assigned the tax identification number NIP 1231273690 and the National Business Registry Number (REGON) 146368221 (hereinafter: the “**Acquired Company**”), carried out pursuant to Article 492 § 1(1) of the CCC, *i.e.* by transferring all of the assets of the Acquired Company to the Acquiring Company.
- 2.** The Extraordinary Shareholders Meeting of the Acquired Company hereby approves the Merger Plan of ACTION Spółka Akcyjna with its registered seat in Zamienie (acquiring company) and ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością with its registered seat in Kraków, agreed on and signed on ____ May 2022 and disclosed in ACTION S.A. Current Report No. ____/2022 dated ____ May 2022 and made available on the merging companies’ websites on the same day.
- 3.** The Extraordinary Shareholders Meeting of the Acquired Company hereby consents for the articles of association of ACTION Spółka Akcyjna not being amended as the result of the merger due to the fact that the Acquiring Company is the sole direct shareholder in the Acquired Company and therefore, the merger will be carried out pursuant to Article 514 of the CCC without increasing the share capital of the Acquiring Company, whilst there arise no additional circumstances which would require amendments to the Acquiring Company’s articles of association.
- 4.** This resolution becomes effective as of the date of its adoption.

ACTION Spółka Akcyjna

Piotr Bieliński – President and CEO

Sławomir Harazin – Vice-President

ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością

Kazimierz Lasecki – President

**Appendix No. 3
to the Merger Plan dated 18 May 2022**

**VALUATION OF THE ASSETS OF ACTIVEBRAND SP. Z O.O. (THE ACQUIRED COMPANY) AS OF
30 APRIL 2022**

The Board of Directors of the acquired company ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością with its registered seat in Kraków (the Acquired Company), pursuant to Article 499 § 2(3) of the Commercial Companies Code, hereby declares that:

1. the value of assets of ACTIVEBRAND Sp. z o.o. as of 30 April 2022 amounts to 0.00 PLN (zero PLN), which is reflected in the Company's balance sheet prepared as of 30 April 2022.
2. the valuation of assets of ACTIVEBRAND Sp. z o.o. was based on the net book value method (net asset value).

ACTION Spółka Akcyjna

Piotr Bieliński – President and CEO

Sławomir Harazin – Vice-President

ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością

Kazimierz Lasecki – President

**Appendix No. 4
to the Merger Plan dated 18 May 2022**

Statement containing information on the financial situation of ACTIVEBRAND Sp. z o.o. (the Acquired Company)
as of 30 April 2022

The Board of Directors of the acquired company ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością with its registered seat in Kraków (the Acquired Company), pursuant to Article 499 § 2(4) and § 3 of the Commercial Companies Code, hereby declares that as of 30 April 2022:

- The Acquired Company's total balance sheet indicates equity and liabilities in the amount of 21,895.86 PLN (twenty-one thousand eight hundred ninety-five and eighty-six hundredths PLN);
- The Acquired Company's total balance sheet indicates a net asset value (equity capital) of -739,355.83 PLN (negative seven hundred thirty-nine thousand three hundred fifty-five and eighty-three hundredths PLN).

The Acquired Company's balance sheet was prepared as of 30 April 2022 by using the same methods as the last annual balance sheet.

ACTION Spółka Akcyjna

Piotr Bieliński – President and CEO

Sławomir Harazin – Vice-President

ACTIVEBRAND Spółka z ograniczoną odpowiedzialnością

Kazimierz Lasecki – President