



Łódź, August 14, 2018

Current Report 32/2018**Redan's taking up shares of TXM SA and a change in Redan's share in TXM SA**

The Management Board of Redan SA with the registered office in Łódź (the "Issuer", "Redan") hereby announces that on August 13, 2018, TXM SA with the registered office in Andrychów (the "Company", "TXM") issued 4,287,999 Company's ordinary bearer shares of series G of the total nominal value of PLN 8,575,998.00 and 1,162,001 registered ordinary shares of series B of the total nominal value of PLN 2,324,002.00. The detailed information on the issue of the shares of series G and B is presented in current report 28/2018 published by TXM on 14 August 2018.

On 13 August 2018 TXM offered to Redan taking up of, under a private subscription:

- a) 2,787,999 newly issued bearer ordinary G shares of the nominal value of PLN 2.00 (say: two zlotys) each, marked by numbers from 0000001 to 2787999, and
- b) 1,162,001 the Company's newly issued ordinary B registered shares of the nominal value PLN 2.00 (say: two zlotys) each, marked by numbers from 0000001 to 1162001.

The Issuer accepted these offers and entered with TXM into an agreement for taking up shares. The Issuer undertook to cover shares by cash contribution in the total amount of PLN 7,900,000,00 (say: seven million nine hundred thousand zlotys) payable in to the TXM account by August 20, 2018.

After registration of the changes in the share capital of TXM described above, Redan's share in TXM changed in the following way:

- a) the number of shares held by the Issuer will increase from the present level of 18 876 920 shares, constituting 56.5% of the share capital to 22 826 920 shares, constituting 58.7% of the share capital;
- b) thereby the number of votes the Issuer is entitled to exercise will change; it will increase from the present number of 30 876 920 votes constituting 68.0% of all the votes in the Company up to 34 826 920 votes, constituting 68,4% of all the votes in the Company.

At the same time on August 13, 2018, TXM issued 10,500,000 non-negotiable bonds of series A, of the nominal value of PLN 2.00 each, convertible into the Company's bearer ordinary shares of series H of the nominal value of PLN 2.00 each. Each bond may be converted into one H share, so as part of the conditional capital of TXM, the total of 10,500,000 H shares

may be issued. Furthermore, under the Issue Terms of TXM Bonds of series A, satisfaction of the performance by payment of interest on A bonds will take place in a form of conversion of the bondholder's claims by payment of the interest into the Company's new shares in the Company issued by TXM as part of the target capital. The detailed information on the issue of the TXM A bonds convertible into H shares is presented in current report 31/2018 published by Redan on August 14, 2018.

The bonds of series A have 4 years to be redeemed and bear interest at the fixed interest rate of 8% annually. So, maximum 3 360 000 new shares may be issued to cover interest if the conversion of A series bonds into the shares of series H takes place by the latest possible date.

Redan took up no TXM bonds of series A. So, in the case of conversion of all the bonds of series A into the shares of series H and the issue of the Company's new shares to cover by them interest on the A series bonds, Redan's share in the share capital of TXM will decrease to 43.3% and the shares held by Redan will give right to exercise 53.8% of votes at the general meeting.

Legal basis:

Art.17(1) MAR *[regulation]*

Bogusz Kruszyński

President of the Board

Redan