

Remedial proceedings of Komputronik S.A. in restructuring

Komputronik 

**Up-to-date information for Creditors
for the period 10.03.2020 – 15.06.2020**

Introductory information

This newsletter is a tool of communication between the Administrator and creditors in order to keep them informed about the current progress of the remedial procedure of Komputronik S.A. The Newsletter will be sent by the Administrator at the end of the subsequent stages of the proceedings. The next newsletter is planned to be prepared by the Administrator in the middle of Q3 2020, after the submission of the restructuring plan. Creditors will receive the newsletter by e-mail

At the outset, the Administrator wishes to ensure that, despite the difficult situation caused by the COVID-19 pandemic, the Debtor continues to operate as a revenue-generating business. The Administrator has not identified any problems related to the current financing of the Debtor's activities, however, the specific economic situation required rapid steps leading to a certain reduction of the scale of these activities through cancellations of certain contracts and staff reductions.

The Administrator positively evaluates the cooperation with the Debtor, appreciating his involvement in the restructuring process and his willingness to cooperate with the authorities.

Remedial proceedings **Komputronik S.A.**
file signature: **XI GRs 5/20**

The District Court Poznan – Stare Miasto

Opening date: **10.03.2020**

Administrator: **Zimmerman Filipiak Restrukturyzacja S.A.**

Judge-Commissioner : **ASR Wojciech Stanke**

Enterprise ordinary management: **left to the Debtor**



Communications on the procedure:

- The Administrator shall provide information to interested parties through:
 - e-mail: komputronikinfo@zfrsa.pl
 - Hotlinie: 537 408 403 (pon-czw, 11:00-13:00)
 - www: <http://zimmermanfilipiak.pl/postepowania/komputronik.html>
- Information on the course of proceedings, to the extent required by the Restructuring Law, will also be announced in Court and Commercial Gazette (*Monitor Sądowy i Gospodarczy, MSiG*).

Contact



IMPORTANT: Draft of inventory of claims

- 10 June 2020 The Administrator submitted to the **Judge-Commissioner draft of inventory of claims**
- **Creditors have the opportunity to get acquainted with the draft of inventory of claims** by sending a form available on the Administrator's website by e-mail:
(<http://zimmermanfilipiak.pl/postepowania/komputronik.html>).
- **By 15 July 2020, the creditors will be able to send their possible objections to the project**, which will then be considered by the Administrator.

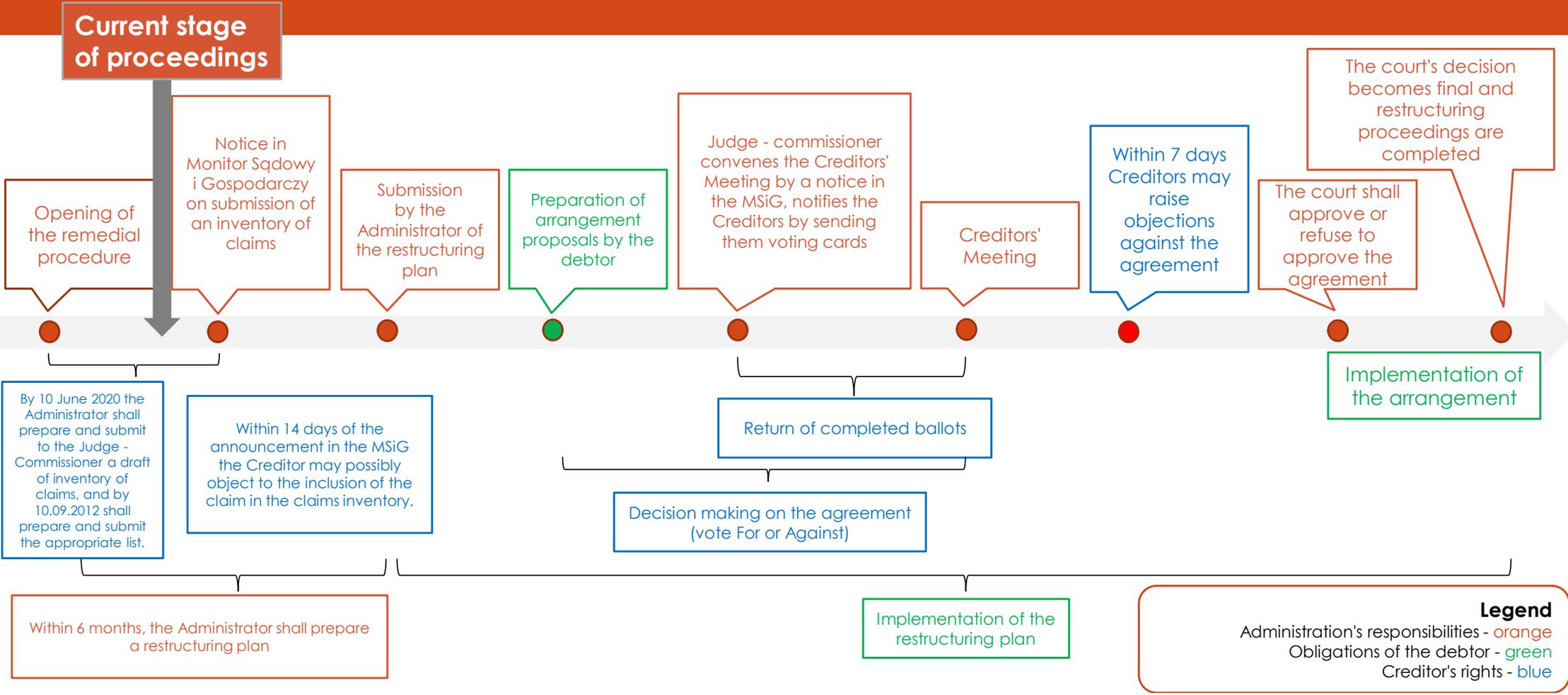
ATTENTION!

Creditors can view the draft of the inventory of claims through the Administrator's website.

By 15 July 2020, the creditors will be able to send their possible objections.



Remedical procedure axis



Schedule of the remedical procedure



- **The stage of establishing the framework for cooperation between the Company and the Administrator, securing the most sensitive areas, making urgent cost cuts, securing revenue, establishing basic data about the company.**
- **Period of stabilization of the company's situation, including first of all setting up a framework for cooperation with contractors, implementation of measures to improve liquidity (e.g. factoring, obtaining trade credits from some contractors), in-depth cost analysis; preparation of a restructuring plan with guidelines for further operation of the company; preparation and filing of a draft of an inventory of claims.**
- Stage of implementation of the assumed restructuring measures (after submission of the restructuring plan, positive opinion of the Creditors' Council and approval of the plan by the Commissioner-Judge) and monitoring of their effects, continuation of activities aimed at improving liquidity; procedure of establishing an inventory of claims (comments of creditors on the draft, submission of the appropriate list, approval of the inventory by the Commissioner-Judge)
- Assessment of the effects of the implemented restructuring measures, revision of the financial forecast, preparation of arrangement proposals by the Company, submission of proposals to the judge-commissioner, setting the date of the creditors' meeting
- Vote on the Agreement, approve the Agreement and conclude the restructuring procedure.

Actions taken by the Administrator



Security of the Company's assets:

- The Administrator has determined the scope of ordinary management for the Company, activities exceeding the specified thresholds can be performed only by the Administrator (concluding contracts, making payments - requires the authorization of the Administrator).
- On 10 April, the Administrator submitted to the files of the proceedings an inventory listing the components of the remedial estate (such a listing includes the Company's assets and those that do not belong to it but are used to run the business, such as e.g. leased assets).

Actions taken by the Administrator



Preparation of the restructuring plan:

- The Administrator, together with an external entity (CMT Advisory sp. z o.o.) specialized in the reorganization and restructuring of enterprises, as well as the Company's managerial staff, proceeded to prepare a restructuring plan.
- At present, the plan's directional assumptions and the restructuring action plan are being closed, and the next step will be to develop a financial model presenting the effects of the planned actions.
- The Administrator estimates the date of submission of the relevant restructuring plan to be mid-Q3 2020.

Actions taken by the Administrator



Reduction of the Debtor's operating costs:

- The manager conducted a procedure of group layoffs, reducing employment by 15.72%. In total, the Administrator terminated 131 out of 783 employment contracts, 1 out of 18 order contracts, and 4 out of 64 B2B contracts.
- The Administrator audited the lease agreements of the premises where the Debtor's sales outlets are located in terms of their profitability. As a result, the Administrator withdrew from 10 out of 26 agreements. At present, the entire commercial chain of the Komputronik Group includes a total of 212 stores operating under agency and partnership agreements.
- The Administrator, together with the Company, monitors the profitability level of other locations.

Actions taken by the Administrator



Reorganisation of financing of Debtor's activities:

- The Administrator, after obtaining the consent of the Judge-Commissioner, withdrew from two factoring agreements, whose further performance was not financially justified.
- The Administrator has obtained additional financing for the current activities of the Company based on the consent of the judge-commissioner to conclude a new factoring agreement, which will allow to maintain deferred payment terms for selected and accepted by the factor's customers. A significant increase in the factoring limit is currently being negotiated.

Cooperation with suppliers:

- The Company in cooperation with the Administrator has made the cooperation with almost all existing suppliers more efficient (valuable share at the level of 98% of purchases), in recent weeks many commercial agreements have been signed and direct cooperation with key suppliers has resumed. The resumption of direct shopping with Dell, Asus and Acer has allowed to increase accessibility while maintaining the most attractive trading conditions (without the intermediation of distributors).
- The disrupted supply chains and the jump in demand for selected assortment groups (laptops, camcorders, cheaper smartphones, headphones with a microphone, printers and supplies), which is closely related to the effects of the pandemic, has been a major challenge in recent times. The Company is systematically improving the availability of products, the amount of available goods in the central warehouse and in the warehouses is increasing. This trend will continue, allowing for a systematic increase in sales.



Operating activities

Sales outlet network and internet sales:

- In the first days after the reopening of stores in shopping malls, the number of customers was much lower than in a similar period last year. However, at the end of May, turnover in stores that were periodically closed increased and reached 2/3 of last year's turnover and continues to grow day by day.
- In the Komputronik.pl online store, there is still an increase in customer traffic, especially from mobile devices, which are already responsible for over 50% of all page views on the site. The share of electronic sales in total retail trade turnover is steadily increasing.
- In May, the e-Commerce area also recorded a great success, which is a very high 5th place in the ranking of the most effective e-commerce companies in Poland in terms of attracting customers, so-called "content marketing".



Operating activities

Sales to partners:

- Recent results of distribution sales (mainly to Komputronik Partner Stores) show a clear reflection in the number and value of orders compared to March and April, significant increases in turnover and activity of the Company's partners are recorded. All orders are fulfilled on time.
- Obtaining financing in the form of factoring for the Company's customers gives the prospect of increasing sales to partners without blocking current working assets.



Operating activities