

**POLISH FINANCIAL SUPERVISION AUTHORITY**

Current Report No.

51

/

2019

Date:

September 4th 2019

Abbreviated issuer name:

FAMUR S.A.

Subject:

Receipt of a CIT tax decision by the Company

Legal basis:

Article 17(1) of MAR – Inside information

**Text of the report:**

Further to Current Reports No. 11/2018 of February 19th 2018 and No. 53/2018 of September 26th 2018, the Management Board of FAMUR S.A. of Katowice (the "Company") announces that on September 4th 2019 it received a decision of the Head of the Kraków Customs and Tax Office of Kraków (the "Tax Authority") on corporate income tax on income earned in 2013, 2014 and 2015 (the "Tax Decision").

In the course of the inspection of the Company's activities related to the transfer of trademarks to Famur Brand Sp. z o.o. and execution of an agreement on the use of the sold trademark, the Tax Authority decided that the expenditure on licence fees for the use of the trademark did not constitute tax-deductible expenses within the meaning of Art. 15.1 of the Corporate Income Tax Act of February 15th 1992. In connection with completion of the customs and tax inspection and its outcome adverse to the Company, tax proceedings were initiated, which were concluded with the issuance of the Tax Decision on August 30th 2019. The Tax Decision issued by the Tax Authority gave rise to tax arrears for the inspected period 2013–2015 totalling PLN 11.6m, and accrual of interest, which as at the decision date amounted to PLN 3.2m.

The decision will have no adverse effect on the Company's current financial results as a relevant provision had been created, as reported by the Company in Current Report No. 11/2018 of February 19th 2018 and Current Report No. 53/2018 of September 26th 2018, whose total amount fully covers the above amount of tax arrears and interest.

The Tax Decision may be appealed against within 14 days of its delivery.

The Company upholds its position expressed in Current Report No. 11/2018 that the transfer of the trademark to Famur Brand Sp. z o.o. and the Company's incurring of the costs of license fees were consistent with the laws effective in the period to which the inspection refers and were supported both by business and economic rationale.

The Company disagrees with the decision of the Tax Authority and will use any measures and means of appeal available under legal regulations to defend its position. Therefore, the Company will file an appeal within the prescribed term of 14 days.

FAMUR Spółka Akcyjna		(full issuer name)	
FAMUR S.A.		Electromechanical (ele)	
(abbreviated issuer name)		(sector according to the WSE)	
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(Tax Identification Number – NIP)		(Industry Identification Number – REGON)	

**SIGNATURES OF AUTHORISED REPRESENTATIVES**

Date	Full name	Position	Signature
September 4th 2019	Adam Toborek	Vice President of the Management Board, Underground Export Sales	
September 4th 2019	Beata Zawiszowska	Vice President, Chief Financial Officer	