

DEBICA

RB 6/2021

**POLISH FINANCIAL SUPERVISION AUTHORITY
Current Report No 5/2021**

Date: May 17, 2021

Abbreviated name of issuer:
DEBICA

Subject: Information regarding tax audit results.

Legal grounds:
Art. 17 item 1 MAR – confidential information.

Report content:

The Management Board of Tire Company Dębica S.A. ("Company") informs that it has received the result of customs and fiscal audit conducted by the Małopolska Customs and Fiscal Office ("the US") with respect to the fulfillment of obligations payer of corporate income tax for the years 2016 and 2017 (the "Control", "Control Result").

During the period covered by the Audit, the Company, as a payer, benefited under the Corporate Income Tax Act from the exemption from the withholding tax obligation with respect to royalty payments under the agreement on technical assistance and licensing (the conclusion of which was announced in current report no. 17/2014, and the termination of which it announced in current report no. 2/2018 as of January 1, 2018).

In the Result of the Audit, the Office did not recognize the Company's right to benefit from the exemption from withholding tax.

The adoption of the conclusions resulting from the Audit regarding the use of the exemption from withholding tax in the period covered by the Audit, would result in the Company being obliged to pay tax arrears in the following amounts amount, respectively:

- for 2016: PLN 7.3 million together with default interest, which as at the date of publication of this report would amount to approx. PLN 2.8 million
- for 2017: PLN 8.2 million together with default interest, which as at the date of publication of this report would amount to approx. PLN 2.5 million.

The Company has [14] days to respond to the Result of the Audit and is analyzing further actions with respect to the Control and its Results. The completed customs and tax inspection may transform into tax proceedings.