

Current report no. 03/2018

Prepared on: 2018-01-18

Subject: The decision of the Head of Masovia – the customs and tax office in Warsaw

Legal basis: Article 17(1) of the Market Abuse Regulation – confidential information

Content of the report:

In connection to current report no. 52/2017 of 13 July 2017 the Management Board of ACTION S.A. in restructuring reports that today i.e. 18 January 2018 the Company's proxy received the decision of the Head of Masovia – the customs and tax office in Warsaw of 04 January 2018 questioned the amount of input VAT charged for the period from August to December 2010 in the amount of approximately 3, 4 million PLN.

The basis of this position are irregularities in the tax settlements of upstream businesses entities that have never been counterparties of the Company. The Issuer does not agree with the decision and will lodge a relevant appeal to the Court. For the above mentioned tax risk, the Issuer already made a financial reserve in the amount of 3.4 million PLN in a result of the first half of 2017.