

Ostrów Mazowiecka, 4 March 2022

CURRENT REPORT NO. 9/2022

Subject: Inside information – termination of the state aid agreement

In reference to current report no. 7/2022 of 9 February 2022, the Management Board of FABRYKI MEBLI „FORTE” S.A. based in Ostrów Mazowiecka informs that on 4 March 2022, it was notified by its subsidiary, i.e. TANNE Sp. z o.o. that it received from the Ministry of Development and Technology a letter saying that the state aid agreement of 19 November 2015 has been terminated. In accordance with the terms of the above-mentioned agreement, TANNE Sp. z o.o. is obliged to return all the aid received, including interest calculated as for tax arrears. As of 7 March 2022, the total amount of the subsidy with interest, which TANNE Sp. z o.o. is obliged to return, is PLN 62,082,025, including PLN 46,059,360.00 of the received subsidy and PLN 16,022,665 of interest. TANNE sp. z o.o. is going to return the above-mentioned amount on 7 March this year.

The Issuer's Management Board further notifies that, as informed in current report no. 8/2022 of 10 February 2022, the preliminary results for Q4 2021 include the entire write-off / provision of PLN 8 million on account of the return of the subsidy received by TANNE Sp. z o.o. from the Ministry of Development and Technology. This amount is part of the subsidy, which in 2021 and in previous years was recognised in other operating income of the subsidiary – in proportion to the depreciation of fixed assets covered by the subsidy. Moreover, TANNE sp. z o.o. created a provision for interest accrued until 31 December 2021 in the amount of PLN 15.3 million, as a financial expense in 2021. Interest due for the period from 01.01.2022 to the date of return of the subsidy in the amount of PLN 0.7 million will be charged to the financial result for 2022. The returned subsidy of PLN 38 million will not affect the profit/loss of TANNE Sp. z o.o. but will reduce the balance sheet liabilities for 2022.

Legal basis: Article 17(1) of the Market Abuse Regulation (MAR)