

Ostrów Mazowiecka, 19.03.2018

CURRENT REPORT NO. 5/2018

Re: confidential information – becoming aware of the occupancy permit issue for the particle board factory

In reference to the information previously transmitted by FABRYKI MEBLI „FORTE” S.A (hereinafter: the Issuer or the Company) relating in particular to the development plans of the Issuer’s production capacity by 2021 (current report No. 34/2015 of 19 October 2015), which envisages, among others, the construction of the wood-based panels manufacturing plant, the Company’s Management Board informs that on 16 March 2018, the Issuer’s subsidiary TANNE sp. z o.o. became aware of the fact that the County Inspector of Construction Supervision of the City of Suwałki issued the decision of 16 March 2018, i.e., the occupancy permit for the particle board factory along with the accompanying technical and road infrastructure. The decision is not yet final and binding.

The permit issue means that after the decision becomes final and binding and after the examination of physical and physiochemical properties is finished, the particle board factory will be able to start the production of wood-based panels, which is intended to cover the full demand of furniture factories in the Issuer’s Group. In 2018, the plant should reach the annual capacity calculated per annum of 400,000 cubic meters, whereas in 2019 - approx. 500,000 cubic meters.

According to the Company’s Management Board, opening the wood-based panel factory will guarantee a continuous supply for the Issuer and will allow to complete the received furniture orders.