

Ostrów Mazowiecka, January 28, 2019

## CURRENT REPORT No. 4/2019

**Subject:** confidential information - preliminary information on the Issuer's financial results for the fourth quarter of 2018

The Management Board of FABRYKI MEBLI "FORTE" S.A. with its registered office in Ostrów Mazowiecka (hereinafter: Issuer, Company), hereby publishes preliminary information on the financial results of the Capital Group FABRYKI MEBLI "FORTE" S.A. (hereinafter: the Capital Group) achieved in the fourth quarter of 2018.

According to preliminary calculations, the approximate value of consolidated sales revenues of the Capital Group in the fourth quarter of 2018 amounted to PLN 297 million (including PLN 15 million from the sale of chipboard), compared to PLN 292 million in the corresponding period of 2017.

In the twelve-month period of 2018, the estimated value of consolidated turnover was PLN 1 107 million (including PLN 29 million from the sale of chipboard), compared to PLN 1 096 million achieved during the twelve months of 2017.

The estimated consolidated EBIT of the Capital Group for the fourth quarter of 2018 amounted to PLN 19.4 million, compared to PLN 18 million in the fourth quarter of 2017.

In the twelve-month period of 2018, the estimated EBIT result was PLN 72.9 million compared to PLN 98.6 million in the same period of 2017.

The estimated consolidated EBITDA result of the Capital Group for the fourth quarter of 2018 amounted to PLN 32.9 million, compared to PLN 25.4 million in the fourth quarter of 2017. In the four quarters of 2018, the estimated EBITDA result amounted to PLN 118.2 million compared to PLN 125.6 million achieved in the same period of 2017.

The Management Board of the Company informs that the financial results given above are estimates and may differ from the final data, which will be presented in the interim report for 2018.

Commenting on the presented results, the Issuer's Management Board informs that despite the still unsatisfactory level of sales in October 2018, the turnover on the core business, i.e. production and sale of furniture in the fourth quarter of 2018 were only 3.5% lower than in the corresponding period of the previous year.

At the same time, thanks to the gradual stabilization of the production of chipboard in TANNE Sp. z o. o., the sales of surplus production of the board (above FORTE's own needs) increased to PLN 15 million in the fourth quarter of 2018. However, it should be noted that due to the continuing low prices on the raw plate market, the Company still does not achieve a significant margin on these products.