

Ostrów Mazowiecka, 3 November 2023

CURRENT REPORT No. 15/2023

Subject: Information on planned collective redundancies

The Management Board of FABRYKI MEBLI „FORTE” S.A. based in Ostrów Mazowiecka (the Company or the Issuer), in connection with information on the estimated financial performance of the FABRYKI MEBLI „FORTE” S.A. Group (current report no. 14/2023 of 24 October 2023), hereby informs that on 3 November 2023, it decided to make collective redundancies and start consultations with trade unions on collective redundancies under the Act of 13 March 2003 on detailed rules for terminating employment with employees for reasons not attributable to employees (i.e. Journal of Laws of 2018, item 1969, as amended). The Management Board's decision is due to the deterioration of the Company's financial situation as a result of a significant decline in demand for furniture, which makes it necessary to take actions aimed at improving operational and cost efficiency and to adjust the level of employment costs to the Issuer's current financial and market situation. The Management Board's decision to carry out collective redundancies is one of the elements of a broader savings programme aimed at adjusting the Company's costs to the current market situation.

The Issuer's intention is to terminate employment contracts with no more than 230 employees of the Issuer, which represents approximately 10 % of all employees of the Company. The redundancies are planned over a period not longer than until 31 January 2024. The Issuer will carry out the redundancy process with care for employees by offering them a number of support measures.

The Issuer estimates the costs of employment reduction at approximately 7 million zloty. The provision related to collective redundancies will be charged to the Company's results in Q3 of financial year 2023-24 (financial year 2023-24 covers the period beginning on 1 April 2023 and ending on 31 March 2024). The final cost related to collective redundancies will be disclosed in the financial statements for H2 of financial year 2023-24.

On 3 November 2023, the Management Board of the Company will notify trade unions of its intention to carry out collective redundancies and will request trade unions to enter into consultations with a view to reaching agreement. The Issuer's Management Board will notify the competent Labour Office of its intention to carry out collective redundancies.

Legal basis: Article 17(1) MAR