

MERGER PLAN

FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka (Acquiring Company) and FORTE BRAND sp. z o.o. based in Ostrów Mazowiecka (Acquired Company)

On 6 December 2023, the Management Board of FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka (Management Board Resolution No. 17/2023) and the Management Board of FORTE BRAND sp. z o.o. based in Ostrów Mazowiecka (Management Board Resolution No. 3/2023), acting pursuant to Article 498, Article 499 and Article 516(6) of the Commercial Companies Code of 15 September 2000 (consolidated text in Journal of Laws of 2022, item 1467 – hereinafter: the CCC) agreed and adopted the following plan of merger of the Companies (hereinafter: the Merger Plan).

I. Legal form, business name, registered office of each of the merging companies (Article 499(1)(1) of the CCC)

1. FABRYKI MEBLI "FORTE" Spółka Akcyjna based in Ostrów Mazowiecka, ul. Biała 1, 07-300 Ostrów Mazowiecka, Poland (hereinafter: the Acquiring Company)
FABRYKI MEBLI "FORTE" S.A. is a joint-stock company entered in the Register of Enterprises kept by the District Court in Białystok, 12th Commercial Division of the National Court Register under no. KRS 0000021840, with the share capital of PLN 23,930,769 fully paid up, tax identification no. NIP 7590005082, statistical no. REGON 550398784.
FABRYKI MEBLI "FORTE" S.A. is a public company within the meaning of the Act of 29 July 2005 on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public Companies (consolidated text in Journal of Laws of 2022, item 2554), whose shares are listed on the Warsaw Stock Exchange.
2. FORTE BRAND spółka z ograniczoną odpowiedzialnością based in Ostrów Mazowiecka, ul. Biała 1, 07-300 Ostrów Mazowiecka, Poland (hereinafter: the Acquired Company)
FORTE BRAND sp. z o.o. is a limited liability company entered in the Register of Enterprises kept by the District Court in Białystok, 12th Commercial Division of the National Court Register under no. KRS 0000535948, with the share capital of PLN 76,000 fully paid up, tax identification no. NIP 5272726311, statistical no. REGON 360368238.
All shares in the share capital of FORTE BRAND sp. z o.o. are held by one shareholder, which is the Acquiring Company – FABRYKI MEBLI "FORTE" S.A.

The Acquired Company and the Acquiring Company are referred to in this Merger Plan as the Companies.

II. Method of merger (Article 499(1)(1) of the CCC)

The merger will be carried out in accordance with Article 492(1)(1) of the CCC through the transfer of all assets of FORTE BRAND sp. z o.o. based in Ostrów Mazowiecka to FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka, taking into account the provisions on the simplified merger procedure specified in Article 516(6) of the CCC.

Pursuant to Article 516(6) read together with Article 516(5) of the CCC, the Merger Plan of FABRYKI MEBLI "FORTE" S.A. and FORTE BRAND sp. z o.o. will not be audited by an expert appointed by the registry court, nor will written reports of the Management Boards of each of the merging companies justifying the merger be prepared.

Taking into account Article 506(1) of the CCC, an Extraordinary General Meeting of the Acquiring Company and an Extraordinary Meeting of Shareholders of the Acquired Company will be convened to adopt resolutions on the merger of the Companies.

III. Rights granted by the Acquiring Company to shareholders and persons with special rights in the Acquired Company (Article 499(1)(5) of the CCC)

In connection with the merger, the Acquiring Company is not expected to grant any rights to shareholders or persons with special rights in the Acquired Company.

IV. Special benefits for members of governing bodies of the merging companies as well as other persons participating in the merger (Article 499(1)(6) of the CCC)

In connection with the merger, no special benefits are expected to be granted to members of governing bodies of the merging companies or to other persons participating in the merger.

V. Information pursuant to Article 499(4) of the CCC

The Acquiring Company represents that due to the fact that it meets the requirements set forth in Article 499(4) of the CCC, i.e. that it is a public company which, in accordance with the regulations on public offering and conditions governing the introduction of financial instruments to organised trading and on public companies, publishes and makes available to shareholders its semi-annual financial statements, the Acquiring Company is not required to prepare and attach to the Merger Plan the information on financial standing referred to in Article 499(2)(4) of the CCC.

VI. Elements of the Merger Plan omitted pursuant to Article 516(6) of the CCC

Due to the fact that the Acquiring Company holds 100% of shares in the share capital of the Acquired Company, the merger will be carried out under the so-called simplified procedure, i.e. in accordance with Article 516(6) read together with Article 516(5) of the CCC. Accordingly, the Merger Plan does not include:

- a) the ratio of the shares to be exchanged in the Acquired Company for shares in the Acquiring Company, in particular, no shares of the Acquiring Company will be issued to a shareholder of the Acquired Company; it does not include the amount of any additional payments (Article 499(1)(2) of the CCC) either,
- b) the rules for granting shares in the Acquiring Company (Article 499(1)(3) of the CCC),
- c) the date from which the shares of the Acquiring Company granted to shareholders of the Acquired Company entitle them to participate in profits of the Acquiring Company (Article 499(1)(4) of the CCC).

Since the merger of the Companies will be carried out without increasing the share capital of the Acquiring Company (Article 515(1) of the CCC), i.e. it will not give rise to any new circumstances requiring disclosure in the Articles of Association of the Acquiring Company, the Articles of Association of FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka will not be amended. Therefore, Article 499(2)(2) requiring that draft amendments to the Articles of Association of the Acquiring Company be attached to the Merger Plan will not apply.

VII. Consents and permits

Pursuant to Article 14(5) of the Act of 16.02.2007 on Competition and Consumer Protection (Journal of Laws of 2023, item 1689), the merger does not need to be notified to the President of the Office of Competition and Consumer Protection because the Acquiring Company and the Acquired Company belong to the same group, i.e. the FABRYKI MEBLI "FORTE" S.A. Group.

The Acquired Company is neither owner nor perpetual usufructuary of agricultural land within the meaning of Article 2(1) of the Act of 11.04.2003 on Formation of the Agricultural System (Journal of Laws of 2022, item 2569).

VIII. Announcement of the Merger Plan

The Management Boards of both companies will report the Merger Plan to the Registry Court in accordance with Article 500(1) of the CCC read together with Article 516(6) of the CCC, and, acting on the basis of Article 500(2¹) of the CCC, the Merger Plan will be made publicly available starting from 06.12.2023, free of charge, on the websites of the merging companies, i.e.:

- a) Acquiring Company – www.forte.com.pl
- b) Acquired Company – www.fortebrand.pl

IX. Other provisions

If any provision of the Merger Plan proves to be invalid or unenforceable, the validity or enforceability of the remaining provisions of the Merger Plan will not be affected. The invalid or unenforceable provision will be replaced by a valid and enforceable provision that best reflects the purpose of the invalid or unenforceable provision and its original intent. The same applies analogously to any gaps in the Merger Plan.

X. Appendices to the Merger Plan

In accordance with Article 499(2) of the CCC, the following documents are appended to the Merger Plan:

1. Appendix 1 – draft resolution of the Extraordinary General Meeting of FABRYKI MEBLI "FORTE" S.A. on the merger of the Companies,
2. Appendix 2 – draft resolution of the Extraordinary Meeting of Shareholders of FORTE BRAND sp. z o.o. on the merger of the Companies,
3. Appendix 3 – determination of the value of assets of FORTE BRAND sp. z o.o. as of 30 November 2023,
4. Appendix 4 – statement containing information on the financial standing of FORTE BRAND sp. z o.o. prepared for the purposes of the merger as of 30 November 2023, using the same methods and the same layout as for the last annual balance sheet.

The Merger Plan was agreed upon and signed on 6 December 2023 in Ostrów Mazowiecka, as confirmed by signatures:

For the Management Board
of FABRYKI MEBLI "FORTE" S.A.

For the Management Board
of FORTE BRAND sp. z o.o.

.....
President of the Management Board –
Maria Malgorzata Florczuk

.....
President of the Management Board –
Mariusz Jacek Gazda

Appendix 1

to the Merger Plan of FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka and FORTE BRAND sp. z o.o. based in Ostrów Mazowiecka – draft resolution of the Extraordinary General Meeting of FABRYKI MEBLI "FORTE" S.A. (Acquiring Company) on the merger of the companies

**RESOLUTION NO. .../2024
Extraordinary General Meeting
of FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka
dated 2024**

Regarding: merger of FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka and FORTE BRAND sp. z o.o. based in Ostrów Mazowiecka

§1

1. Acting pursuant to Article 506(1) of the Commercial Companies Code, the Extraordinary General Meeting of FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka resolves to merge FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka (the Acquiring Company) and FORTE BRAND sp. z o.o. based in Ostrów Mazowiecka (the Acquired Company) in a manner compliant with Article 492(1)(1) of the Commercial Companies Code, i.e. by transferring all assets of FORTE BRAND sp. z o.o. based in Ostrów Mazowiecka to FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka.
2. At the same time, the Extraordinary General Meeting of FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka consents to the Merger Plan agreed upon by the Management Boards of the merging Companies on 6 December 2023, which is appended to this resolution.

§2

The merger of the Companies takes place without increasing the share capital of FABRYKI MEBLI "FORTE" S.A., pursuant to Article 515(1) of the Commercial Companies Code.

§3

The Management Board of FABRYKI MEBLI "FORTE" S.A. is authorised to take all steps and factual and legal actions necessary to carry out the merger.

§4

The resolution comes into force upon its adoption with effect from the date of registration of the merger by the court.

Appendix 2

to the Merger Plan of FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka and FORTE BRAND sp. z o.o. based in Ostrów Mazowiecka – draft resolution of the Extraordinary Meeting of Shareholders of FORTE BRAND sp. z o.o. (Acquired Company) on the merger of the companies

**RESOLUTION NO. .../2024
Extraordinary Meeting of Shareholders
of FORTE BRAND sp. z o.o. based in Ostrów Mazowiecka
dated 2024**

Regarding: merger of FORTE BRAND sp. z o.o. based in Ostrów Mazowiecka and FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka

§1

1. Acting pursuant to Article 506(1) of the Commercial Companies Code, the Extraordinary Meeting of Shareholders of FORTE BRAND sp. z o.o. based in Ostrów Mazowiecka resolves to merge FORTE BRAND sp. z o.o. based in Ostrów Mazowiecka (the Acquired Company) and FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka (the Acquiring Company) in a manner compliant with Article 492(1)(1) of the Commercial Companies Code, i.e. by transferring all assets of FORTE BRAND sp. z o.o. based in Ostrów Mazowiecka to FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka.
2. At the same time, the Extraordinary Meeting of Shareholders of FORTE BRAND sp. z o.o., based in Ostrów Mazowiecka consents to the Merger Plan agreed upon by the Management Boards of the merging Companies on 6 December 2023, which is appended to this resolution.

§2

The merger will be carried out under the so-called simplified procedure, i.e. under Article 516(6) of the Commercial Companies Code.

§3

The Management Board of FORTE BRAND sp. z o.o. is authorised to take all steps and factual and legal actions necessary to carry out the merger.

§4

The resolution comes into force upon its adoption with effect from the date of registration of the merger by the court.

Appendix 3

to the Merger Plan of FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka and FORTE BRAND sp. z o.o. based in Ostrów Mazowiecka – determination of the value of assets of FORTE BRAND sp. z o.o. based in Ostrów Mazowiecka (Acquired Company) as of 30 November 2023.

**DETERMINATION OF THE VALUE OF ASSETS OF
FORTE BRAND sp. z o.o.
based in Ostrów Mazowiecka
as of 30 November 2023**

For the purpose of determining the value of assets of FORTE BRAND sp. z o.o. (hereinafter: FORTE BRAND or the Company), in accordance with Article 499(2)(3) of the Commercial Companies Code, an accounting valuation was adopted, based on the figures disclosed in FORTE BRAND's balance sheet prepared as of 30 November 2023, as shown in the Statement on the financial standing of FORTE BRAND, made Appendix 4 to the Merger Plan.

The essence of the accounting valuation is to assume that the value of the Company's assets is equal to its net asset value, calculated on the basis of the Company's prepared balance sheet, and thus is the difference between total assets and total liabilities and provisions for liabilities.

The value of FORTE BRAND's assets as of 30 November 2023 is as follows:

Statement of financial position	30.11.2023
Non-current assets	234 561 801.77
Tangible fixed assets	2 236.90
Intangible assets	152 104 000.00
Investments in subsidiaries	51 332 000.00
Investments valued using the equity method	9 195 464.87
Other non-current financial assets	21 928 100.00
Current assets	18 747 148.22
Trade and other receivables	8 636 083.91
Other financial assets	10 019 675.21
Cash and cash equivalents	91 389.10
TOTAL ASSETS	253 308 949.99
Statement of financial position	30.11.2023
Total equity	224 415 957.35
Share capital	76 000.00
Other reserves	8 636.00
Retained earnings	224 331 321.35
Non-current liabilities	28 045 872.94
Deferred tax liabilities	28 027 286.94
Provision for post-employment benefits	18 586.00
Current liabilities	847 119.70
Trade and other liabilities	841 362.46
Lease obligations	2 243.24
Provision for post-employment benefits	3 514.00
Total liabilities	28 892 992.64
TOTAL EQUITY AND LIABILITIES	253 308 949.99

The value of net assets determined as the difference between assets and liabilities and provisions for liabilities as of 30.11.2023:

Assets	253 308 949.99
	-
Liabilities and provisions for liabilities	28 892 992.64
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Net assets	224 415 957.35

Appendix 4

to the Merger Plan of FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka and FORTE BRAND sp. z o.o. based in Ostrów Mazowiecka – statement containing information on the financial standing of FORTE BRAND sp. z o.o. (Acquired Company) prepared for the purposes of the merger as of 30 November 2023.

STATEMENT

The Management Board of FORTE BRAND sp. z o.o. based in Ostrów Mazowiecka (the Acquired Company) represents that as of 30 November 2023, the financial standing of FORTE BRAND sp. z o.o. based in Ostrów Mazowiecka is as follows:

Statement of financial position	30.11.2023
Non-current assets	234 561 801.77
Tangible fixed assets	2 236.90
Intangible assets	152 104 000.00
Investments in subsidiaries	51 332 000.00
Investments valued using the equity method	9 195 464.87
Other non-current financial assets	21 928 100.00
Current assets	18 747 148.22
Trade and other receivables	8 636 083.91
Other financial assets	10 019 675.21
Cash and cash equivalents	91 389.10
TOTAL ASSETS	253 308 949.99
Statement of financial position	30.11.2023
Total equity	224 415 957.35
Share capital	76 000.00
Other reserves	8 636.00
Retained earnings	224 331 321.35
Non-current liabilities	28 045 872.94
Deferred tax liabilities	28 027 286.94
Provision for post-employment benefits	18 586.00
Current liabilities	847 119.70
Trade and other liabilities	841 362.46
Lease obligations	2 243.24
Provision for post-employment benefits	3 514.00
Total liabilities	28 892 992.64
TOTAL EQUITY AND LIABILITIES	253 308 949.99

The balance sheet on the assets and equity and liabilities side shows the amount of **PLN 253 308 949.99** (in words: two hundred and fifty-three million, three hundred and eight thousand, nine hundred and forty-nine zloty 99/100).

The Company's Management Board assures that the balance sheet prepared for the purposes of the merger clearly presents the Company's assets and financial position. When preparing the balance sheet, the Management Board ensured the selection of appropriate valuation principles and their continuous application.

In addition, the Management Board hereby represents that:

1. there have been no irregularities in the Company's management;
- 2 the Company has not received any objections from relevant authorities regarding discrepancies or irregularities in its financial reporting;
3. the Company's balance sheet as of 30.11.2023, prepared to the best knowledge of the Management Board, presents fairly, in all material respects, the assets and financial position of the Company.