

Ostrów Mazowiecka, 6 December 2023

CURRENT REPORT NO. 16/2023

Subject: decision on the intention to merge with a subsidiary to implement reorganisation measures within the FORTE Group

The Management Board of FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka, hereby informs that on 6 December 2023, it decided to merge FABRYKI MEBLI "FORTE" S.A. based in Ostrów Mazowiecka with the Issuer's subsidiary, i.e. FORTE BRAND Sp. z o.o. based in Ostrów Mazowiecka. FABRYKI MEBLI "FORTE" S.A. as the Acquiring Company holds 100% of shares in the share capital of the Acquired Company, i.e. FORTE BRAND Sp. z o.o. The merger will take place pursuant to Article 492(1)(1) of the Commercial Companies Code, taking into account Article 515(1) and Article 516(6) of the Commercial Companies Code, i.e. by transferring all assets of FORTE BRAND Sp. z o.o. to FABRYKI MEBLI "FORTE" S.A. without increasing the share capital of the Issuer.

The main objective of the planned reorganisation measures is, in particular, to rearrange the organisational structure of the FABRYKI MEBLI "FORTE" S.A. Group (hereinafter the FORTE Group) and to separate risks, eliminate inconsistencies in the division of competencies, simplify management and ownership structures, manage assets within the FORTE Group more effectively, reduce intra-group flows and, consequently, increase the operational efficiency of the FORTE Group and reduce costs.

In the opinion of the Management Board of the Issuer, the merger will reduce the operating costs of the FORTE Group, and consequently, will allow achieving long-term economic and organisational benefits, in particular it will allow reducing the costs incurred in the management process, optimising management costs and managing human resources effectively.

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