

CURRENT REPORT NO. 33/2018

Subject: termination of the Incentive Program

Management Board FABRYKI MEBLI "FORTE" S.A. with the registered office in Ostrów Mazowiecka (hereinafter referred to as the Company), with due regard to the termination of the incentive program as of November 30, 2018, publishes a summary of the completed incentive scheme implemented as part of the conditional increase in the Company's capital by issuing series H shares of the Company excluding pre-emptive rights H series shares based on Resolution No. 19/2014 of the Ordinary General Meeting of the Company of 10 June 2014 (hereinafter the Incentive Scheme).

The Incentive Program was introduced for the years 2014-2016 for the Members of the Management Board of the Company (hereinafter entitled Persons).

In order to carry out the Incentive Scheme, the Company issued a total of 356,220 registered subscription warrants, including 118.740 series D subscription warrants, 118.740 series E subscription warrants and 118.740 series F subscription warrants to be acquired by Eligible Persons.

As a result of the Incentive Scheme, 103.693 series D subscription warrants and 118.740 series F subscription warrants were offered to Entitled Individuals. Exercise of rights from subscription warrants resulting in series H shares could take place until November 30, 2018. One person has used the above-mentioned right. in relation to 29.685 series D subscription warrants, which covered 29,685 series H shares.

1. The starting and ending date of subscription or sale:

The declaration on taking up series H shares as a result of exercise of rights from series D subscription warrants was submitted on 31/07/2017. Until the end date, i.e. until 30 November 2018, none of the remaining Eligible Persons exercised any rights under the subscription warrants offered.

2. Date of the allotment of securities:

Due to the issue of series H shares, their allocation was not carried out. The statement on taking up series H shares as a result of the exercise of rights from series D subscription warrants was submitted on 31.07.2017.

3. Number of securities covered by subscription or sale:

29,685 series H shares.

4. The rate of reduction in individual tranches, if at least one tranche, the number of allocated securities was lower than the number of securities for which subscriptions were made: not applicable.

5. Number of securities for which subscriptions or sales were made: the provision for the subscription of series H shares in connection with the exercise of rights from series D subscription warrants was submitted in respect of 28,685 series H shares.

6. Number of securities that have been allocated as part of a subscription or sale:

No allocation of Series H shares was made. 28,685 series H shares were taken up.

- 7. Price at which the securities were acquired:** The issue price of series H shares was PLN 46.19.
- 8. Number of persons who subscribed for securities covered by subscription or sale in individual tranches:**
The statement on taking up series H shares as a result of the exercise of rights from series D subscription warrants was submitted by one person.
- 9. Number of persons to whom securities were allocated as part of a subscription or sale in individual tranches:**
H series shares were taken up by one person.
- 10. Name (business name) of underwriters who took securities in the performance of underwriting agreements, specifying the number of securities they took, along with the actual price of the security unit, which is the issue price or sale price, after deduction of the consideration for taking up the security unit, in the performance of the sub-issue agreement, acquired by the underwriter:**
Not applicable - series H shares were not taken up by underwriters.
- 11. Value of the subscription or sale carried out, understood as the product of the number of securities covered by the offer and the issue price or sale price:**
PLN 1.371.150.15 (in words: one million, three hundred and seventy-one thousand, one hundred and fifty zloty and fifteen groszy).
- 12. The amount of total costs that have been included in the costs of issue, with an indication of the amount of costs according to their titles, broken down at least into the costs of:**
- a) preparing and conducting the offer - PLN 19,500.00,
 - b) remuneration of underwriters, for each separately – PLN 0,
 - c) preparation of the prospectus, including consultancy costs – PLN 0 zł,
 - d) offer promotion - PLN 0,
- The total cost of series H shares issue was PLN 19,500.00.
- In the Company's accounting books, the costs incurred by the Company related to the issue of series H shares in the amount of PLN 19,500.00 were charged to the Company's result at the time they were incurred.
- 13. The average cost of subscription or sale per unit of a security covered by subscription or sale:** PLN 0.66 (in words: sixty six groszys) per share.
- 14. The method of payment of acquired (purchased) securities:**
Cash contribution.

Legal basis:

Article 56, paragraph 1 point 2 of the Act of 29 July 2005 on public offerings and conditions governing the introduction of financial instruments to organized trading, and on public companies (consolidated text: Journal of Laws of 2009 No. 185, item 1439, as amended) in conjunction with from § 16 point 1 of the Regulation of the Minister of Finance of March 29, 2018 regarding current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state (Dz.U.2018.757).