

Ostrów Mazowiecka, 23 October 2019

CURRENT REPORT NO. 26/2019

Subject: confidential information - preliminary information on the Issuer's financial results for Q3 2019.

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 FABRYKI MEBLI "FORTE" S.A. Capital Group (hereinafter: Capital Group) achieved in Q3 2019.

According to preliminary calculations, the approximate value of consolidated sales revenue of the Capital Group in Q3 2019 amounted to PLN 264 million (including PLN 16 million in respect of surplus furniture board manufactured in the Group's own plant and sold outside the Group) vs PLN 256 million in the comparative period of 2018 (including PLN 8 million sales of board outside the Group).

In Q3 2019, the negative trend on the furniture board market continued, which resulted in a several-point negative margin on the sale of surplus board to third parties. Despite fairly stable prices of wood raw material, the prices achieved on sales still do not fully cover the costs of manufacturing the board.

The estimated value of the Capital Group's consolidated EBIT for Q3 2019 amounted to PLN 19 million, which means an increase by 31% as compared to the same period of 2018 (PLN 14.4 million).

The estimated value of the Capital Group's consolidated EBITDA for Q3 2019 was PLN 33 million, compared to PLN 27 million in Q3 2018, i.e. + 22%.

The Management Board of the Company informs that a PLN 2 million loss on the sale of financial assets of Kwadrat Sp. z o.o. recognised in other operating activities had a one-off impact on lowering the EBIT result in Q3 2019. Without the impact of a "one-off" transaction involving the sale of shares, the Capital Group's EBIT result for Q3 2019 would amount to PLN 21 million, and the EBITDA result would amount to PLN 35 million.

The estimated value of the Capital Group's consolidated EBITDA in the three quarters of 2019 was PLN 94 million, which means an increase by 10% as compared to the same period of 2018 (PLN 85 million).

The Forte Group's net financial debt ratio at the end of Q3 2019 does not exceed the levels agreed with the institutions financing the Forte Group.

The Management Board of the Company informs that the above financial results are estimates and may differ from the final data, which will be presented in the periodic report for Q3 2019.

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